



# New Account Form Acct # \_\_\_\_\_

Custodian:  Axos Adv. Serv  \_\_\_\_\_  
 New Account  Update Information on File

## Account to be Managed by SEM:

See attached *Portfolio Allocation & Fee Addendum* for Suitability Information & Model Allocation

❖ Registration Types: Individual, Joint, UGMA/UGTA, Trust/Estate, Corp./LLC, Partnership, IRA, ROTH, SEP, 401(k), 403(b), Pension, Profit Sharing

| Registration ❖  | Account Holders(s) | Total Approximate \$ | Model Allocation               | % |
|---|--------------------|----------------------|--------------------------------|---|
|   |                    |                      |                                |   |
| <b>Investment Time Horizon:</b> <input type="checkbox"/> Less than 3 years* <input type="checkbox"/> 3 - 5 yrs <input type="checkbox"/> 5 - 7 yrs<br><input type="checkbox"/> 7 - 10 years <input type="checkbox"/> 10 - 15 yrs <input type="checkbox"/> 15-20 yrs <input type="checkbox"/> 20+ years   |                    |                      |                                |   |
| <b>Risk Tolerance: I would be uncomfortable with losses above</b><br><input type="checkbox"/> 0 - 5%* <input type="checkbox"/> 5 - 10% <input type="checkbox"/> 10 - 15% <input type="checkbox"/> 15 - 20% <input type="checkbox"/> 20 - 25% <input type="checkbox"/> 25 - 30% <input type="checkbox"/> 30 - 40% <input type="checkbox"/> 40%+  |                    |                      |                                |   |
| <b>Investment Objective for Account:</b> <i>These are overall objectives for entire account, not guarantees, and may be inconsistent with a particular holding.</i><br><input type="checkbox"/> <b>Current Income</b> - I will be withdrawing income from this portfolio. Estimated annual income need from portfolio: _____%<br><input type="checkbox"/> <b>Capital Preservation</b> - I would like to keep up with taxes and inflation. <input type="checkbox"/> <b>Growth</b> - I would like to keep up with the overall stock market.<br><input type="checkbox"/> <b>Capital Appreciation</b> - I would like to keep up with a balanced investment. <input type="checkbox"/> <b>Aggressive Growth</b> - I would like to seek returns higher than the stock market averages. |                    |                      |                                |   |
|   |                    |                      | <b>Total (must equal 100%)</b> |   |

\*If an asterisked choice is chosen, you should discuss the advisability of using SEM with your financial advisor. **SEM cannot manage your account if you have no risk tolerance**

### Investment Experience:

- Limited
- Good
- Extensive

### Tax Bracket:

- Low < 12%
- Med 13-34%
- High > 35%

### Emergency Assets:

(# of months living expenses avail. in a low risk account)  
 Long (>1yr.)  
 Medium (6-12 mos.)  
 Short (<6 mos.)

### Annual Income:

(include spouse income if married)  
 < \$30,000  
 \$ 30,000 - \$ 49,999  
 \$ 50,000 - \$ 74,999  
 \$ 75,000 - \$149,999  
 \$150,000 - \$199,999  
 \$200,000 +

### Liquid Net Worth:

(exclude homes, furnishings, autos, etc.)  
 < \$75,000  
 \$ 75,000 - \$ 99,999  
 \$100,000 - \$149,999  
 \$150,000 - \$249,999  
 \$250,000 - \$499,999  
 \$500,000 - \$749,999  
 \$750,000 - \$999,999  
 \$1,000,000 - \$2,000,000  
 \$2,000,000 - \$5,000,000  
 \$5,000,000 +

### How would you describe yourself as an investor?

- (choose one)
- Pessimist - I expect the worst
  - Anxious - I tend to worry
  - Cautious, but open to new ideas
  - Objective - show me the pros/cons
  - Optimistic - things always work out

% of Liquid Net Worth:  < 25%  25 - 75%  > 75%\*

## SEM Advisor Choice Fee Schedule Options:

Financial Advisor has chosen the fee schedule:  Default (see table)  Flat Fee of \_\_\_\_\_% per yr. [Maximum Financial Adv Fee is 1.12%. All other advisor fees will be rounded to the nearest 0.1%]

SEM's default management fee schedule is shown to the right. Unless otherwise instructed, SEM will charge the indicated fees. Fees are based on total household assets; fees are flat, not layered (i.e. all assets charged the same rate); SEM's AmeriGuard and Cornerstone fees are a flat 0.50% regardless of account size. Platinum Portfolio fees are 0.25% with no breakpoints for the portion not managed by SEM. SEM managed allocations receive the same breakpoints listed in the table. Clients are encouraged to review the overall level of assets to ensure they are paying the lowest possible fees.

| Asset Level<br>(for breakpoints) | SEM Management Fees |         | Financial Advisor |         |
|----------------------------------|---------------------|---------|-------------------|---------|
|                                  | Tactical            | Dynamic | Tactical          | Dynamic |
| \$0                              | 1.12%               | 0.75%   | 1.12%             | 0.75%   |
| \$250,000                        | 1.05%               | 0.70%   | 1.05%             | 0.70%   |
| \$500,000                        | 0.97%               | 0.65%   | 0.97%             | 0.65%   |
| \$1,000,000                      | 0.90%               | 0.60%   | 0.90%             | 0.60%   |
| \$1,500,000                      | 0.82%               | 0.55%   | 0.82%             | 0.55%   |
| \$2,000,000                      | 0.75%               | 0.50%   | 0.75%             | 0.50%   |
| \$4,000,000                      | 0.67%               | 0.45%   | 0.67%             | 0.45%   |

I, the Referring Financial Advisor attest to the following:

- ✓ I have explained the fee arrangement to the Client and have provided the Client with SEM's current Form ADV Part 2 and SEM's Form CRS. I have also explained this fee arrangement will apply to all accounts in the client's household. If no box is selected, the Default fee will be used.
- ✓ I have verified the identity of the client using the government issued ID indicated on the custodian's new account paperwork. If no ID is listed, I have attached a copy of the ID to this packet.
- ✓ If funding includes a recommendation to roll over assets from a Qualified Plan or an IRA to another plan or IRA, this has been documented in writing and is in the best interest of the client. The documented due diligence is attached.

Referring Advisor's Signature: \_\_\_\_\_ Print Name: \_\_\_\_\_

Referring Advisor's RIA or Broker-Dealer Firm Name: \_\_\_\_\_

**Promoter Agreement / Financial Advisor Fees**

And Acknowledgment of Receipt of Agreement Pursuant to the Investment Advisor's Act of 1940, Rule 206(4)-1

Strategic Equity Management, Inc., an Arizona corporation DBA SEM Wealth Management ("SEM"), is registered as an investment adviser with the SEC under the Investment Advisers Act of 1940. The Securities and Exchange Commission ("SEC") requires anyone who refers any person to a registered investment adviser must provide those persons with a written statement disclosing the relationship between the referring party and the investment adviser and any material conflicts of interest. This is SEM's Promoter Agreement under the Investment Advisor's Act as required by SEC Rule 206(4)-1 to be provided to any client or prospective client referred to SEM before they establish a relationship with SEM as their investment adviser. The Referring Advisor listed on the previous page is the firm your financial advisor is paid through.

This is to inform you that the financial advisor is not employed or affiliated in any way with SEM, other than as described in this letter. The financial advisor has agreed to present the advisory services offered by SEM and has or may assist in establishing your client relationship with SEM. No investment management agreement with any client or prospective client shall become effective unless and until it is accepted by SEM at its offices in New Kent, Virginia.

The referral services provided by the financial advisor include making any introductions and providing information and material about the advisory services and programs of SEM. Only SEM approved sales material may be used, and copies have been provided to clients or prospective clients.

Services may also include periodic contacts about investment performance, reviews, or other information as may be requested or required to assist in understanding SEM's services or establishing an advisory relationship or providing/updating client information on behalf of SEM.

For the term of each client's advisory relationship with SEM, and according to a written agreement between Referring Advisor and SEM, Referring Advisor will be compensated under a "Shared Fee" option, in which SEM will pay Referring Advisor their portion of the fee as selected in the "Advisor Choice Fee Schedule" on page 1 based on assets under management. The referral fee will be paid from the management fee received and retained by SEM from the client's account. The financial advisor is then paid by the Referring Advisor. The compensation paid to Referring Advisor by SEM is for the solicitation services and for referring the client to SEM and covers any expenses for these efforts. The compensation for these services is paid by SEM primarily from the management fees earned. [PA RevDate: 20221031]

**ACKNOWLEDGEMENT OF UNDERSTANDING:**

In consideration of establishing an account with SEM, I hereby affirm my understanding of the following indicated by my signature below:

- All investments carry risk of loss of principal and/or purchasing power. Neither SEM nor its representatives can make or fulfill any guarantee of a return on or of my principal.
  - I am encouraged to read any prospectus given to me before making an investment.
  - Historical performance data presented for an investment are not indicative of future results which may prove better or worse, depending on economic, political, and market events.
  - SEM does not vote proxies on behalf of clients.
  - Upon my incapacitation or death, management will continue until an authorized agent has been appointed and submitted change instructions or until the custodian freezes the account for lack of authorized agent, whichever occurs first.
  - I acknowledge receipt of the Program Report(s) and/or Program Overview(s) describing my particular investment(s). I represent only SEM approved sales material has been used and I have received copies of all materials used.
  - I agree to receive all communications from SEM electronically to the email address listed below, on the included Axos account application, or listed in Liberty. If no email address is provided, SEM will send communications to the address on file. I can opt out at any time by notifying SEM at the address below.
  - I acknowledge receipt of SEM's Privacy Policy Statement.
  - I acknowledge receipt of SEM's 408(b)(2) Disclosure Summary for employer sponsored retirement plans subject to ERISA.
  - I acknowledge receipt of SEM's Management Fee and Acceptance of Risk Policy.
  - I acknowledge receipt of the Promoter Agreement. This acknowledgement confirms for SEC purposes that I have received this information and have been informed about the Referring Advisor fee arrangement between the two firms described on Page 1 and 2 of this application.
  - I acknowledge receipt of SEM's Firm Brochure, ADV Part 2, as currently on file with the Securities and Exchange Commission.
  - I have read and understand SEM's Form CRS Relationship Summary, ADV Part 3, as currently on file with the Securities and Exchange Commission.
- It is my responsibility to inform my financial advisor if there are any changes in my financial situation or investment objectives.

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

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

\_\_\_\_\_  
Account Holder Signature

\_\_\_\_\_  
Date

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

\_\_\_\_\_  
Account Holder Signature

\_\_\_\_\_  
Date

## Privacy Policy Statement

*This policy is provided in accordance with Title V of the Gramm-Leach-Bliley Act and Regulation S-P.*

Your privacy is important to us. Under federal law you have a right to know what information is being collected about you and how that information will be used. SEM's goal is to protect your privacy. To conduct regular business, we may collect nonpublic personal information from sources such as:

- Information reported by you on applications or other forms you provide to us
- Information about your transactions with us, our affiliates, or others

However, SEM does not share or disclose any nonpublic personal information about its current or former customers, except as permitted by law. All information will remain confidential.

### Information Safeguarding

SEM will internally safeguard your nonpublic personal information by restricting access to only those employees who provide products or services to you or those who need access to your information to service your account. In addition, we will maintain physical, electronic and procedural safeguards that meet federal and/or state guidelines to guard your nonpublic personal information.

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## Section 408(b)(2) Disclosure Summary

### **SERVICES**

SEM, as a registered investment advisor, provides the services described below to those client accounts that are subject to ERISA. SEM as a fiduciary provides investment supervisory services, also known as asset management services, on a discretionary basis. When SEM or our representatives provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (ERISA) which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **DIRECT COMPENSATION**

For these services, SEM receives compensation from plan participant accounts in the form of investment management fees. Annual fees are based on a percentage of assets under management as follows. Client assets are totaled and charged the fee for the respective account based on that total amount. Fees are based on the account value at the end of each calendar quarter. A time-pro-rated adjustment is made to the fee basis to an account for any additions or withdrawals made to the account during the quarter. The annual fee is invoiced in arrears on a quarterly basis. The percentage charge depends on the value of assets under management for which details can be found in the Fees and Compensation section located in SEM's Disclosure Statement (ADV Part 2) at [www.SEMWealth.com](http://www.SEMWealth.com). A Client may terminate our agreement at any time by notifying SEM in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination.

### **INDIRECT COMPENSATION**

SEM participates in Axos Advisor Services (Axos) institutional customer program and Advisor may recommend Axos to Clients for custody services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors.

SEM also receives from Axos certain additional economic benefits ("Additional License Services") that may or may not be offered to any other independent investment Advisors participating in the program. Axos provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to Axos for the Additional Licensed Services.

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## ERISA Fiduciary

To the extent Advisor renders the Services with respect to assets of the Client held in an account that is part of an employee benefit plan described in section 3(3) of ERISA, held in an account that is part of any other plan described in Section 4975(e)(1)(A) of the Internal Revenue Code of 1986, as amended (the "Code"), or held in an individual retirement account or other account described in Code Sections 4975(e)(1)(B) through (F), the following provisions shall apply:

- The Services are authorized by the governing documents of the plan or account described above;
- Adviser shall not act as or assume the responsibilities of a plan or account trustee, administrator, or recordkeeper;
- Adviser shall not have any discretion to interpret the plan or its governing documents, or to determine eligibility to participate in the plan or account; and
- Adviser acknowledges that it is a fiduciary, shall render prudent investment advice that is in Client's best interest, shall avoid making misleading statements, and shall receive no more than reasonable compensation.

## Management Fee and Acceptance of Risk

In consideration for the services rendered under this agreement, the above signed client agrees to pay Strategic Equity Management, Inc., an Arizona Corporation DBA SEM Wealth Management ("SEM"), a management fee (maximum fee 2.25% annually) based on a percentage of the client's total net assets under management in the client's account ("the management fee"). The management fee will be assessed quarterly based on client's net assets under management determined on March 31, June 30, September 30, and December 31 of each year. Management fees may be reduced above asset break points. Refer to Form ADV Part 2 for details. SEM will charge no other fees associated with the account. Custody fees charged by some custodians are paid by the client. All fees and costs are kept current in Form ADV Part 2.

This agreement in conjunction with the Advisor Authorization Agreement embodies all understandings and agreements between SEM and client. This agreement can be canceled within 5 days of its execution without penalties.

Any modification of the Agreement shall be in writing and signed by all parties to such Agreement.

I understand that the account managed by SEM, a registered investment advisory, is a growth investment; and, therefore has inherent risks associated with investments of this nature. I acknowledge that all these risks were disclosed to me and that I retain the right to obtain current prospectuses by the issuer when I purchase the investments. I acknowledge that I comply with all the suitability, investor sophistication, and net worth requirements. I agree that the moneys in my account will be moved without my prior approval or authorization by SEM between money market, bond mutual funds, stock mutual funds, exchange traded funds and individual securities, with the intention of increasing the value of the account through capital appreciation and dividend increases. I acknowledge that this process and this agreement have been fully explained to me and I have had an opportunity to ask any questions that I may have. It is the intention of the manager to capitalize on market movements by attempting to allocate moneys to those asset classes achieving the highest returns during each market cycle using technical and fundamental analysis.

I understand that SEM will not consider individual tax concerns as a factor or a basis in making trading decisions. I also understand that I may invest directly in shares issued by the mutual fund company without paying the SEM management fee. SEM clients have the opportunity and authority to instruct SEM to refrain from purchasing securities which otherwise might be purchased. Any expenses imposed by the mutual fund company will be disclosed in the applicable prospectus.

Although the intention of the manager is to increase the values in the account, there can be no guarantee that this will be accomplished. As is the case with all investments, past performance is not a guarantee of future results. I also understand if for any reason I am dissatisfied with the performance of the manager I may liquidate my account at any time with no penalties assessed by SEM, at the current market value at the time of liquidation.

The client understands that it is his or her responsibility to notify SEM and the custodian of any change of address in writing. If client fails to notify the custodian or SEM in writing of any change of address SEM will not be responsible for the consequences thereof.

No assignments of this Agreement shall be made without client's express written consent, pursuant to the provisions of the Investment Advisor Act of 1940.

I understand that SEM shall have no liability or responsibility for the execution of trades, orders, purchases or liquidation or the actual transfer of funds or the failure to act by any Custodian, Broker-Dealer or any other third party. I understand that if a management fee is removed from a non-qualified insurance contract is a taxable event which can be prevented if I pay my fee from other sources. I understand that SEM is not a broker dealer of securities, commodities or other investments.

I understand and acknowledge the risk of insurance contracts which contain riders that provide for certain features, benefits and guarantees coupled with the ongoing deduction of SEM management fees from my Account, trading activity, and/or of use certain sub-accounts/investment options may cause my contract to experience a reduction in these features, benefits and guarantees including but not limited to death benefits, income guarantees, appreciation guarantees, etc. to the extent they exist. I acknowledge a complete and full understanding of the specific features, benefits and guarantees in my contract and the corresponding possible negative effect that SEM's ongoing management may have and I accept this condition and understand that SEM shall have no associated liability.

All disputes and controversies of every kind and nature arising out of or in connection with this Agreement including, but not limited to, the interpretation of or the performance under this Agreement shall be decided by binding arbitration in Tucson, Arizona pursuant to the rules of the American Arbitration Association. This provision shall be subject to and governed by Arizona Revised Statutes Section 12-1501. In such arbitration the parties under this Agreement hereby waive any right to punitive, exemplary or treble damages whether or not such damages are required by law and agree that the parties sole remedy against each other shall be limited to compensatory damages only. If any action or arbitration proceeding shall be brought in connection with this Agreement, or for or on account of any breach of, or to enforce or interpret any of the terms, covenants or conditions of, this Agreement, the prevailing party determined by the court or arbitrator, as the case may be, shall be entitled to an award against and recover from the other party or parties the prevailing party's costs and reasonable attorney's fees, the amount of which shall be made a part of any judgment or arbitration award rendered. The parties agree that the proper venue for any proceeding shall be Pima County, Arizona, and hereby waive any right to object to such venue.

The federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore, nothing herein shall in any way constitute a waiver or limitation of any rights which the undersigned client may have under federal securities laws.

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