

What Am I Paying For?

Understanding your Fee Statement

Opening Balance: This is the amount calculated on the prior quarter's statement

Custodian Fee (Axos): 0.12% Fee Max

NOTE: *Oftentimes the prior custodian will charge a closure fee. Rather than deducting it from your account, they request the fee from the new custodian, in this case, Axos. This fee will also show up under the Custodian Fee section of the statement. SEM has also arranged for some of these closure fees to be reimbursed (for a limited time). The reimbursement will show up as a negative amount and is credited against to each investment model, which means you'll see multiple reimbursements in this section.*

Advisor Fees (all fees are prorated for amount of time invested during the quarter and based on the Average Daily Balance of the account or investment model. See note at bottom for householded accounts)

Financial Advisor Fee: 1.12% Max — Financial Advisors may select to have a flat rate fee for their services or to have the fees fluctuate based on the SEM Advisory Fees. If not a flat rate fee, there will be multiple Financial Advisor Fees calculated for each fee class listed below.

SEM Investment Management Fee: SEM's fees are based on the level of activity / monitoring of the particular investment model based on the following fee classes:

- **SEM Invstmnt Mgmt Fee (Strategic)** [0.50% per year]: All AmeriGuard & Cornerstone investment models; These investment models remain invested longer and require less oversight than the other SEM models. Designed for longer-term investments.
- **SEM Platinum Portfolio Fee** [0.25% per year]: All Platinum Portfolios to cover costs of on-going monitoring and due diligence of outside managers, implementation of investment models, and servicing the clients in the models.
- **SEM Ivstmnt Mgmt Fee (Tactical)** [1.12% Max, breakpoints starting at \$250,000 under management]: All Tactical Investment Models (Income Allocator, Tactical Bond, Tax Advantaged Bond, and Enhanced Growth Allocator); These investment models are monitored on a DAILY basis and are designed to trade more frequently.
- **SEM Investment Mgmt Fee (Dyn)** [0.75% Max, breakpoints starting at \$250,000 under management]: All Dynamic Investment Models; These investment models are monitored on a MONTHLY basis and are based on SEM's quantitative economic model.

NOTE: *If you have multiple accounts the total value of all accounts in your household will be included when calculating breakpoints. The fee statement will calculate the total assets in each fee class above and then list the **% shared by account** on the statement to get to the final fee. All fees are prorated for the amount of time invested during the quarter.*

Current Fees Paid: This is the amount deducted during the quarter and will be the opening balance (the prior quarter's fees) plus any custodial fees paid during the quarter.

TOTAL Fees: This is the amount to be deducted the next quarter & will be the opening balance on the next statement.

See next page for a description of what services are provided for each fee segment

What Am I Paying For?

SEM Investment Management Fee:

1.12% Max (based on level of monitoring & subject to breakpoints starting at \$250,000 per household)

- Daily and monthly monitoring of your portfolio
- Access to lower cost investment options
- Proprietary Portfolios with 3 distinct management styles
- Portfolio diversification
- Working with advisor to create a risk efficient investment portfolio that aligns with your financial plan
- Frequent communication with your advisor
- Economic & Investment Information via Quarterly Newsletter
- Handling of contributions, withdrawals and distributions
- Create Investment Policy Statement for the client & advisor

Custodian (Axos): 0.12% Fee Max*

**Breakpoints are applied per accounts over \$1M*

- Access to over 8000 mutual funds & ETFs that SEM can choose from without any transaction fees
- Unlimited trading
- Real-time internet access to account information
- Tax Reporting (1099s, 5498, Cost Basis, 8949) with electronic downloads of data for CPA
- Quarterly custodian statement either paper or electronic
- Required Minimum Distribution Calculations for Clients over the age of 70.5
- ACH Withdrawals and Check processing

Financial Advisor Fee: 1.12% Max^

^note: some advisors may charge flat rates for some of these services or may not offer all of them.

1. Initial Development of your customized plan

- Savings & Budgeting Goals
- Taxes & Estate planning
- Retirement Income Planning
- Determine Investment Objectives, Risk Tolerance, & time horizon

2. Implementation of Plan

- Tax Management
- Select Investment Solutions
- Monitoring / Reviewing all of the above periodically
- Behavior modification (help avoid emotional decisions)

3. Other customized services

- Retirement transitioning
- Social Security/Medicare/Pension assistance
- Insurance protection planning

