

**INVESTMENT ADVISORY AGREEMENT**

**Hamilton-Bates  
Investment Research, Inc.**

Regular Mail:  
P.O. Box 270  
Newtown Square, PA 19073

Phone 877.768.4247  
Fax 610.355.1972  
[www.hbir.com](http://www.hbir.com)

Overnight Mail:  
4 St. Alban's Avenue  
2nd Floor  
Newtown Square, PA 19073

**A Registered Investment Advisor**

## 1. Investment Advisory Agreement

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ between Hamilton-Bates Investment Research, Inc. ("Advisor"), and \_\_\_\_\_

hereafter called the "Client".

INTENDING to be legally bound, the Client hereby retains the Advisor as Investment Advisor to manage the mutual fund or variable account(s) investments described in the Client Information Record under Section 25 attached hereto. Such assets, together with all additions, substitutions, retained income and alterations thereto are hereinafter called the "Mutual Fund" or "Investment" or "Portfolio", upon the terms and conditions set forth.

## 2. Services and Authority

The Client hereby appoints the Advisor to act as the Client's agent and attorney-in-fact with full discretionary power and authority to make all decisions in the client's name without prior consultation with the client to buy, sell, or otherwise effect transactions in the client's portfolio.

The Advisor shall implement, buy, and sell transactions from time to time in the portfolio in accordance with its proprietary analysis and interpretations of the technical indicators identifying upward and downward trends in different types of mutual funds. The Client recognizes that in the management of the portfolio, depending upon fluctuating market conditions, the Advisor will, when appropriate, convert all or part of the portfolio from mutual funds that primarily invest in Equities or Bonds, to Mutual Funds that invest primarily in Money Market or other Cash Equivalents or vice versa if permitted by the Advisory Service chosen by Client. The Client understands that converting instruments from one form of mutual fund to another involves certain inherent risk of loss and that no results can be guaranteed by the Advisor. The client further understands that the Advisor will make investment decisions based upon a complex set of financial factors, irrespective of the Client's individual tax situation or personal financial needs.

## 3. Fees

Fees payable by the Client for services rendered by the Advisor pursuant to the Agreement shall be calculated in accordance with, and payable pursuant, to the following tiered fee schedule:

### Discretionary Advisory Fee Schedule Strategic and Tactical Portfolios Tiered Management Fee

Assets under management	Advisory Fee
For the first \$500,000	1.75%
For the next \$500,000	1.50%
For the assets over \$1,000,000	1.25%

### Non-Discretionary Tiered Management Fee Schedule

Assets under management	Advisory Fee
For the first \$250,000	2.00%
For the assets \$250,001 to \$500,000	1.50%
For the assets \$500,001 to \$999,999	1.25%
For the assets \$1,000,000 and over	1.00%

The Client shall pay HBIR for services rendered, a fee calculated as described. The quarterly fee will be prorated to nearest quarter end based on the amount initially invested. Fees will be redeemed from the investment account at the beginning of each quarter if allowed by the investment account, or if the client prefers they

may pay the HBIR investment advisory fees by check. The Client determines method of payment in section 28 of this agreement. Client agrees to execute any and all documents necessary for such quarterly fee redemptions to be processed by HBIR. Subsequent quarterly fees shall be based on the market value of the account at the end of the prior periods. Amounts invested shall be prorated for the remaining portion of the period in which the investments are made HBIR does not require that fees be paid more than three months in advance. The Client understands that fee redemptions from a qualified plan can be taxable distributions. In addition, some mutual funds charge an exchange fee (usually \$5.00) each time an exchange is affected. This fee is withdrawn from proceeds at the time of exchange. **The Advisor shall not be compensated on the basis of participation in the capital gains made or upon capital appreciation of the funds of the Client.** It being understood, however, that such gains and appreciation may be part of the Portfolio assets as valued on the billing dates.

## 4. Procedure

a) Conversions: Mutual Fund conversions shall be effected by the Advisor or an agent of the Advisor through written or oral instructions to the mutual fund, the applicable fund custodian, or their authorized agent. The Advisor is not responsible for executing orders and is not responsible for errors or omissions of the mutual fund or its agent.

b) Authority and Liability: The Client agrees that the mutual fund is empowered and authorized to follow the instructions of the Advisor or Advisor's agent in every respect with regards to all trades and transactions and agrees to furnish copies of this Agreement and/or all powers of attorney that may be required to effect this Agreement and agrees further to hold each and all of such other Parties free and harmless from any loss, liability or damage arising directly or indirectly from the relevant persons following the instructions of the Advisor. The Client understands and agrees that periodically mutual fund families may restrict the number or type of exchanges permitted within the mutual fund family chosen. These policies may, at times, make it necessary for a Client's assets to be exchanged to another similar fund within the family without prior approval.

c) Instructions and Payment: During the terms of this Agreement, the Client agrees to notify the Advisor prior to making additions or withdrawals from the account(s) designated for management by the Advisor. In addition, the Client agrees to notify the Advisor in the event the Client wishes to effect an address change. All transactions under this Agreement shall be consummated by payment to, or delivery by the Client, or such other party as the Client may designate in writing, or all cash and/or securities due to or from the Portfolio.

d) Custody: The Advisor shall at no time receive, retain or physically control any cash, securities, or other assets forming any part of the Portfolio but may issue instructions to the Client as may be appropriate in connection with the settlement of transactions initiated by the Advisor pursuant to the Agreement.

## 5. Notices

Any notice hereunder by either party shall be given in writing by personal delivery or certified mail, return receipt requested; and, shall be deemed given, if by personal delivery, on the date of such delivery or, if by certified mail, on the date shown on the applicable return receipt. Every such notice shall be addressed to: Hamilton-Bates Investment Research, Inc - P.O. Box 270, Newtown Square, PA 19073 (610) 355-1970 Fax (610) 355-1972

## **6. Duration and Termination**

This Agreement shall begin as of the date herein and extend for one (1) year and shall automatically be extended for additional one (1) year terms unless terminated prior thereto as provided hereafter. Either party may terminate this Agreement at any time upon written notice which shall be effective when received by the other party. If the Client is an individual, this Agreement shall be terminated upon the receipt by the Advisor of written notice of the death or mental disability of Client. Termination of this Agreement shall not, in any case, affect or preclude the consummation of any transaction initiated prior thereto. Fees, to the extent prepaid, will be refunded prorated. The Client may cancel this Agreement for a period of five (5) days after the date herein and the full management fees will be returned.

## **7. Assignment**

No assignment of this Agreement shall be made by either party without the prior written consent of the other.

## **8. Partial Invalidity**

If the final determination of a court of competent jurisdiction declares, after the expiration of the time within which judicial review (if permitted) of such determination may be perfected, that any provision hereof is invalid or unenforceable, the remaining terms and provisions shall be unimpaired.

## **9. Merger of Prior Negotiations**

This Agreement sets forth all of the promises, agreements, conditions and understandings between the parties respecting the subject matter hereof and supersedes all negotiations, conversations, discussions, correspondence, memoranda and agreements between the parties concerning such matters.

## **10. Amendments**

No alteration, amendment, change or addition hereto shall be binding or effective unless the same is set forth in a writing that is signed by a duly authorized representative of each party.

## **11. Captions**

The paragraph titles herein are for reference purposes only and do not control or effect the meaning or interpretation of any term or provision.

## **12. Binding Agreement**

The Agreement shall bind and inure to the benefit of the parties and their respective successors, permitted assigns, heirs, and legal representatives.

## **13. Advice Not Exclusive**

The Client acknowledges that the Advisor advises others.

## **14. Governing Law**

This Agreement and the transactions under it shall be governed and interpreted in accordance with the laws of the State of New Jersey applicable to contracts made and to be performed in such state, the Investment Advisors Act of 1940 and the rules and regulations promulgated thereunder.

## **15. Arbitration of Disputes**

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

## **16. Representations by the Client**

The Client represents and confirms that the terms hereof do not violate any obligation by which the Client is bound, arising by

contract, operation of law or otherwise, and if the Client is a corporation or trust, that: (1) this Agreement has been duly authorized by appropriate action, and when executed and delivered, will be binding upon the Client in accordance with its terms; and, (2) the Client will deliver to the Advisor such evidence of such authority as the Advisor may reasonably require, whether by way of a certified resolution or otherwise.

## **17. Representation by the Advisor**

The Advisor confirms that the terms hereof do not violate any obligation by which the Advisor is bound, whether arising by contract, operation of law or otherwise; that this Agreement has been duly authorized by appropriate action and, when executed and delivered, will be binding upon the Advisor in accordance with its terms; that the Advisor will deliver to the Client such evidence of such authority as the Client may reasonably require, whether by way of a certified resolution or otherwise; that the Advisor is registered as an Investment Advisor in the states which it does business and, that, with respect to the Portfolio (if the Client is a covered employee benefit plan), the Advisor is a "Fiduciary" as that term is defined under the Employee Retirement Income Securities Act of 1974.

## **18. Receipt of Advisor's Disclosure Statement**

Client acknowledges receipt of Part 2 of Form ADV, a disclosure statement containing the equivalent information, or a disclosure statement containing at least the information required by Part 2A Appendix 1 of Form ADV if the client is entering into a wrap fee program sponsored by the investment adviser. If the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties of the contract have signed the contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding. The Client acknowledges receipt of every applicable mutual fund prospectus.

## **19. Acknowledgment of Tax Consequences**

The Client understands that the Advisor's investment decisions are made without regard to possible tax considerations. Thus, the Advisor's investment decisions may cause a substantial increase in the Client's tax liability.

## **20. Acknowledgment of Investment Risk**

The Client understands the nature of the investment strategy by the Advisor as described in its Disclosure Statement and acknowledges that the Advisor cannot assure the profitability of the Client's account. Furthermore, the Client understands that there are risks associated with investing in securities, and that the risk of a decline in market value can be substantial. Therefore, the Client should carefully consider whether such an investment is suitable based on their own financial condition. Prior to

authorizing HBIR to invest for their account, the Client should carefully review the description of the investment objectives selected and by which the account(s) will be managed. Specifically, the Client should consider whether this objective is consistent with their risk tolerance and their ability to maintain their standard of living and/or achieve their financial goals in the event that the account(s) should sustain a loss.

## **21. Commencement of Agreement**

The period of this relationship shall commence upon the date of the signature and acceptance of the Investment Advisory Agreement by the Advisor, and all transactions undertaken pursuant to this relationship shall be governed by the terms of the Investment Advisory Agreement.

## **22. Receipt of Solicitor's Disclosure Statement**

The Client acknowledges receipt of the Solicitor's Disclosure Statement and understand that the Advisor may employ as, independent contractors, various Broker-Dealers, registered and unregistered sales representatives and other Investment Advisors and:

(A) The Advisor has agreed to pay the Solicitor (75%) of the total Advisory Fee (the referral fee) as described, for introducing the Client to the Advisor and handling certain administrative functions on the Advisor's behalf. The Advisor has agreed to pay the solicitor (62%) of the total Advisory Fee in the case of Accounts held at annuity companies. The one-time set-up fee (Up to 2.5% of assets and applicable to First Trust or Fidelity accounts only), can be waived in whole or in part by the referrer, and is paid to the referrer in its entirety, HBIR receives no part of this fee.

(B) The Client understands that some mutual funds charge a fixed non-negotiable commission; and, if there is same associated with the purchase of the shares of any particular fund, that the Client will pay same and same will go to the firm and representative that the Client has designated to act as the Client's Broker-Dealer, which may be the Solicitor.

(C) The Client understands and agrees that the Solicitor, (if he/she is a person not associated with or employed by the Advisor, and if the Solicitor is not an Investment Advisor), shall bear no responsibility or liability of any kind as a result of: any action, or failure to act, at any time by the Advisor (including without limitation, any decrease in Portfolio assets as a result directly or indirectly, of investment advice that the Advisor at any time renders or fails to render); the Disclosure Statement containing any untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make the statements therein not misleading; or, any action, or failure to act, at any time by the Solicitor other than any action or failure to act resulting from gross negligence or willful misconduct on the part of the Solicitor in connection with the limited services that the Solicitor is to perform for the Client on the Advisor's behalf.

## INVESTMENT POLICY FORM

### CLIENT PROFILE

1. Source(s) of Income:

Pension     Social Security     Investments     Employment     Other

2. What percentage of financial assets will this portfolio represent?

%

3. How much investment experience does the client have?

None     Limited     Moderate     Extensive

4. Are there any investment restrictions with regard to social considerations?  
If so please specify.

---

5. Are there any investment restrictions with regard to tax considerations? If so please specify.

---

### INVESTMENT OBJECTIVES

1. Which of the following best describes the client's investment objectives? Please choose only one.

- Maximum Growth** - Long-term Maximum capital appreciation with potentially higher risk/volatility and no need for current income.
- Growth** - Long-term growth of capital with moderate risk.
- Growth with Income** - A combination of some growth and some current income with the primary consideration being growth of capital with minor income consideration.
- Income with Growth** - A combination of some growth and some current income with the primary focus being current income with minor growth consideration.
- Maximum Income** - Preservation of capital with the major focus on current income. Growth considerations are minor.

2. Which most closely approximates the expected long-term annual returns for this portfolio?

6-7%     8-9%     10-12%     13%+

3. What is the investment time horizon?

1-2 years     3-5 years     6-10 years     10+ more than 10 years

4. If withdrawals are anticipated over the next three years, what percentage of the portfolio will be withdrawn on an annual basis?

none       0-6%       7-9%       10% or more

5. Which statement best describes the client's thoughts about account fluctuation?

- Must be kept to a minimum.
- Will accept low price fluctuations (less than 10%) for potential moderate long-term returns.
- Will accept moderate price fluctuations (10-15%) for a potential higher long term returns.
- Will accept a high level of price fluctuations (15%+) for potential superior long-term returns.

6. If the value of the portfolio decreased by 20% in one year, how would the client react?

- Be concerned, and find another way to invest the money.
- Be concerned, and re-think portfolio aggressiveness.
- Not concerned, sit tight.
- Not concerned, and invest more at bargain levels.

7. Where would this money be otherwise invested?

- The bank, in CD's.
- A mix of stocks, bonds and mutual funds with a \_\_\_% stock / \_\_\_% bond mix.
- Other : \_\_\_\_\_

10. Please make any other comments or notes here:

---

---

---

**MANAGED ASSETS**

\_\_\_ 1.) MANAGE ASSETS AS SELECTED ON PAGE 7 (part b) OF THE ADVISORY AGREEMENT. **Check this if the client and representative have already decided on a portfolio/strategy choice from among the HBIR options.**

**OR**

\_\_\_ 2.) PLEASE CREATE AN INVESTMENT POLICY STATEMENT FOR THE ASSETS LISTED, IN THE FOLLOWING MANNER:

\_\_\_ Manage the assets with the fund/annuity listed using dynamic or strategic asset allocation principles.

**or**

\_\_\_ Manage the assets in a No-Load Fund portfolio (Fidelity), in the Advisor's discretion.

**And check those or fill out the items below:**

1) Manage the assets

\_\_\_ without regard to tax implications. \_\_\_ tax managed : minimize taxable distributions and capital gains liabilities.

2) Manage the assets with the maximum stock bond allocations of:

\_\_\_ No limits \_\_\_\_\_ % Stocks \_\_\_\_\_ % Bonds \_\_\_\_\_ % Money Market

List Accounts for inclusion in the investment policy statement

Account Registration    Fund/Annuity    Account#    Account Value    IRA/Qualified (Y/N)

---

---

---

---

---

---

Representative Name

\_\_\_\_\_ Date



**25.** If part of a plan such as a 401(k), Profit Sharing, or Trust, please complete this section. Not Needed For IRA.

Trust or Company Name: \_\_\_\_\_ Type: \_\_\_\_\_  
Administrator: \_\_\_\_\_ Phone: \_\_\_\_\_  
Custodian: \_\_\_\_\_ Phone: \_\_\_\_\_  
Trustee: \_\_\_\_\_ Phone: \_\_\_\_\_

**26. Client Information, (PLEASE PRINT)**

Client Name: \_\_\_\_\_  
Joint Name (if applicable): \_\_\_\_\_  
Client SS #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ Joint Name SS #: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ D.O.B. \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ St.: \_\_\_\_\_ Zip: \_\_\_\_\_ - \_\_\_\_\_  
Home-Phone: \_\_\_\_\_ Work-Phone: \_\_\_\_\_  
**E-Mail:** \_\_\_\_\_

**27. Signatures of Agreement**

Client Signature: X \_\_\_\_\_ Date: \_\_\_\_\_  
Joint Signature: X \_\_\_\_\_ Date: \_\_\_\_\_

***Client Must Initial:***

\_\_\_\_\_ I (We) acknowledge receipt of each Prospectus for Funds being used and the current Form ADV Part II for Hamilton-Bates Investment Research, Inc. If Fidelity is being utilized, all Prospectuses will be forwarded upon Fund purchase by Fidelity.

\_\_\_\_\_ I (We) have completed the Client Profile.

Witness (Solicitor, IAR) \_\_\_\_\_

Advisory Fee payment Select One: \_\_\_ Check Enclosed, \_\_\_ Deduct from Account

One-Time Set-up Fee Amount: (For Fidelity and First Trust Accounts Only) \_\_\_\_\_% (0% To 2.5%)

**28. Name and Address of Broker Dealer (Main Office)**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of Solicitor and Local Office Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

CRD # \_\_\_\_\_

Telephone \_\_\_\_\_

**29. HBIR USE ONLY: Date of Acceptance, HBIR.**

Date: \_\_\_\_\_ 20 \_\_\_\_\_

By: X \_\_\_\_\_

Title \_\_\_\_\_

## Solicitor's Disclosure Statement

### Solicitor's Disclosure Statement

Solicitor proposes to introduce you to Hamilton-Bates Investment Research, Inc. (the "Advisor") for the purpose of your becoming a Client of the firm. The Securities and Exchange Commission pursuant to the requirement under SEC Rule 206 (4) -3 requires that any person who solicits Clients for an Investment Advisor must provide those Clients with a written statement disclosing the relationship between the Solicitor and the Investment Advisor. The following information is furnished to you by the Solicitor pursuant to that requirement.

### Nature of Relationship

Except for the contractual relationship pursuant to which Solicitor acts as agent for the Advisor and receives a referral fee for introducing certain Clients to the Advisor, and rendering certain prescribed services to such Clients on the Advisor's behalf, Solicitor and Advisor are in no way affiliated with one another.

### Compensation

You have agreed to pay the Advisor a specific percentage of the net asset value of the assets managed for you by the Advisor (the "Advisor Fee"). Solicitor will render no investment advisory service to you and will receive no compensation for the investment advisory functions performed by the Advisor. However, the Advisor has agreed to pay to Solicitor (75%) of the total Advisor Fee (the "Referral Fee") for introducing you to the Advisor and for handling certain administrative functions for you on the Advisor's behalf. For accounts held at annuity companies the Advisor has agreed to pay the Solicitor (63%) of the total Advisor Fee. The Referral Fee shall be paid to Solicitor by the Advisor in each year during the continuation of your investment advisory relationship with the Advisor, which you have agreed, shall be for an initial term of one (1) quarter and thereafter automatically extended for additional one (1) quarter term until such time as you or the Advisor provides the other with written notice of termination. Should your investment advisory relationship be discontinued for any reason, resulting in a discontinuation of your obligation to pay the Advisor Fee, then the Solicitor shall cease to receive the Referral Fee from the Advisor. The fees charged by the Advisor to all of its customers are fixed for these services, and are in no way increased to reflect the Advisor's obligation to pay the Referral Fee to the Solicitor. The one-time set-up fee (Up to 2.5% of assets and applicable to First Trust or Fidelity accounts only), can be waived in whole or in part by the referrer, and is paid to the referrer in its entirety, HBR receives no part of this fee.

### Client Acknowledgement

X \_\_\_\_\_  
*Client Signature* *Date*

\_\_\_\_\_  
*Client Name (Please Print)*

X \_\_\_\_\_  
*Joint Signature, if applicable* *Date*

\_\_\_\_\_  
*Joint Name, (Please Print)*

### Solicitor Representative

Solicitor Signature (Required), X \_\_\_\_\_  
**Solicitor Signature (Registered Representative) is Required on ALL AGREEMENTS**

\_\_\_\_\_  
*Solicitor Name (Please Print)*

\_\_\_\_\_  
*Date*