



# INVESTMENT ADVISORY AGREEMENT

**Financial Advisor:**  
Herman A. Brunson, Jr.  
Balance Investments LLC  
980.949.1949



*Signatures*

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Balance Investments LLC (“Balance Investments”), the Financial Advisor (“Advisor”) and the client(s) (“Client”) (Advisor and Client are identified below) enter into this Investment Advisory Agreement (“Agreement”) effective as of the date shown below. The accompanying Firm Brochure and Privacy Policy is a part of this Agreement. If this Agreement is signed by more than one person on behalf of Client, Balance Investments and Advisor may follow the instructions given by any of them and notice to one shall constitute notice to all.

**Effective Date:** \_\_\_\_\_

**Advisor**

\_\_\_\_\_  
Advisor Signature

\_\_\_\_\_  
Printed Name

**Client**

\_\_\_\_\_  
Client Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Client Signature (Joint Accounts)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

Receipt of From ADV, Part 2 (Firm Brochure) By signing this Agreement, Client acknowledges receipt of From ADV, Part 2 which discloses Advisor’s services and fees, educational and business background, conflicts of interest, methods of analysis, and other information as required by the Investment Advisers Act of 1940. Client further acknowledges that a copy of the current ADV Part 1 or Part 2 will be furnished at any time upon Client’s request or by accessing the most current version available at [www.balance-investments.com/FAQs](http://www.balance-investments.com/FAQs).

Receipt of Investment Advisory Agreement (IAA) By signing this Agreement, Client acknowledges the receipt of Advisor’s Investment Advisory Agreement. Client further acknowledges that a copy of the current, superseding IAA will be furnished at any time upon Client’s request or by accessing the most current, superseding version available at [www.balance-investments.com/FAQs](http://www.balance-investments.com/FAQs).

Receipt of Privacy Notice (Privacy Policy) By signing this Agreement, Client acknowledges the receipt of Advisor’s Privacy Policy. Client further acknowledges that a copy of the current Privacy Policy will be furnished at any time upon Client’s request or by accessing the most current version available at [www.balance-investments.com/FAQs](http://www.balance-investments.com/FAQs).

**Services Provided.**

This Agreement sets forth the services to be provided to Client by Balance Investments and Advisor and the terms and conditions upon which those services will be provided.

Balance Investments provides financial planning and investment advice as follows:

**Financial Planning Services** – If this option is chosen Advisor will render financial planning advice based on Client’s needs and objectives. The fee for a financial plan is based on a combination of flat fees for meetings and an hourly fee for planning work with a \$600 minimum. The first and second appointments are billed at a flat \$250 combined, with all other work billed at \$175 per hour. The typical first year, written financial plan fee ranges from \$300 to \$2,100 and may take from 1.5 to 12 hours to prepare, depending upon the complexity a Client’s financial situation and whether a Client has selected a comprehensive financial plan or an a la carte selection of financial plan modules as described below.

Financial Planning Module	Description
Establish Financial Goals	Data gathering, statement of SMART financial goals and objectives with current situation analysis.
Identify Risks and Concerns	Statement of identified areas of financial risk and concern within current situation and if applicable, risks to achieving financial goals and objectives.
Cash Flow Management	Includes preparation of itemized cash flow statement, net worth statement identifying assets and liabilities, recommendation of a spending and budgeting plan.
Tax Planning	Analysis and review of current tax situation, providing a current tax situation summary and identification of tax management strategies.
Insurance Review	Review of current insurance protection, including coverage types and costs, and protection gap and needs analysis.
Investment Management	Research and review of current investment portfolio assets and allocation, risk tolerance profile, investment goals and objectives, investment time horizon, current analysis statement and provide investment portfolio recommendations.
Education Funding	Analyze current education funding, review of education costs and education funding options; establish education funding goals and objectives.
Retirement Planning	Identify retirement goals and current retirement funding situation, including income goals, sources of income, identifying and estimating retirement expenses and recommend an investment plan to achieve retirement goals.
Estate Planning	Establish estate planning needs and wealth transfer objectives, review current estate plan including beneficiary reviews, trust account review and setup, charitable gifting strategies, identify areas of risk or concern and work with client’s attorney on estate plan.

At the end of the first meeting, total financial planning fee estimates are given. Non-refundable payment of one-third (1/3) of the total financial planning fee estimate may be required before work begins with the remaining two-thirds (2/3) or total amount due upon presentation of the plan. The criteria for determining the financial planning fee estimates are based on the level of financial planning service selected by the Client (i.e. comprehensive or modular, and the number of and specific modules selected) in combination with the complexity of the client’s financial situation (including, but not limited to, the number of existing accounts to be reviewed, account types, asset types, existing plans and stated and disclosed financial

needs and objectives of the client). Since financial planning relies in part on a discovery process, situations occur where a Client is unaware of certain financial exposures or predicaments.

In the event that a Client's situation is significantly different than disclosed at the initial meeting, a revised fee estimate will be provided for mutual agreement. Subsequent work, including reviews, will be billed at \$175 per hour. A comprehensive financial plan, including each aforementioned module, is generally recommended. However, each Client and their situation are unique and each financial module is also available a la carte.

Financial planning will lay the foundation for goals and objectives. If you go through the planning process you will have a better idea of your financial situation and the Advisor will have a better understanding of how to plan and manage assets for your future.

Advisor will provide written recommendations in regard to one or more of the following focus areas:

- Determination of Financial Goals
- Data Gathering
- Cash Flow Management and Budgeting
- Preparation of Net Worth Statement
- Tax Planning
- Estate Analysis
- Investment Advisory and Management
- Retirement Planning
- Insurance Review and Needs Analysis
- Education Planning
- Review of Retirement Benefits
- Wealth Transfer Strategies
- Multi-Generational Planning
- Charitable Gifting
- Career or Business Planning
- Other Areas of Financial Concern

These focus areas will be provided either comprehensively or modularly depending upon the needs and complexity of the Client's situation. Non-refundable financial planning fee payments of one-third (1/3) of the total financial planning fee estimate may be required before work begins with the remaining two-thirds (2/3) due or total amount due upon presentation of the plan. Financial planning fees may be paid by check, money order, debit card, credit card or bank draft. Cash payments are not accepted. Fees are generally due upon receipt of estimate as outlined above and/or in full by final invoice.

If hired to do so, Advisor will work with Client to coordinate the implementation of recommendations in the plan. If part of the implementation involves money management Client will select the Investment Advisory and Management option below.



**Investment Advisory and Management** – If this option is chosen Advisor will render discretionary investment advice on a Client’s portfolio based on Client’s stated objectives. This option does not include any financial planning.

1. For this level of service Client will receive a thorough review of their existing account(s).
2. Client and Advisor will work together to identify Client’s objectives and needs for the portfolio.
3. Advisor will write an Investment Policy Statement (IPS) for Client’s approval. The IPS will instruct Advisor on how to manage the assets.
4. Advisor will monitor the portfolio with rebalancing done as needed.
5. Client will receive, at a minimum, quarterly statement(s) on the account(s) from the custodian.
6. Advisor will provide an annual portfolio performance report, in the first quarter of each year, based on the prior calendar year end performance.
7. Fees are directly withdrawn from Client accounts.
8. Custodian will provide cost basis accounting information.
9. Client will benefit from Advisors thorough due diligence process of analyzing investment options.
10. Client will receive a diversified asset allocation portfolio based on Client’s goals, risk tolerance and time horizon.
11. Investment advisory service fees are charged monthly, at the beginning of each month, in arrears, for the previous month. The investment advisory service fee is calculated on the first day of the month, based on the aggregate market value of the assets managed for the client on the last business day of the previous month, multiplied by one-twelfth of the corresponding annual fee rate (i.e.,  $2.0\% \div 12 = 0.167\%$ ).

The investment advisory service fee tiers are as follows:

Assets Managed	Monthly Fee Rate	Corresponding Annual Fee Rate
Up to \$250,000.....	0.167%	2.00%
\$250,001 to \$750,000.....	0.146%	1.75%
\$750,001 to \$1,500,000.....	0.125%	1.50%
\$1,500,001 to \$2,500,000.....	0.104%	1.25%
\$2,500,001 to \$5,000,000.....	0.083%	1.00%
Over \$5,000,000.....	0.063%	0.75%

Investment advisory service fees will be deducted directly from managed accounts by the qualified, independent custodian holding funds and securities based on the service fee tiers as outlined above and itemized on client statements. Itemized, separate invoices or billing summaries can be provided upon request. Investment advisory service fees are charged monthly, at the beginning of each month, in arrears, for the previous month. Fees are deducted from client accounts.

Fees paid by invoice are due within 7 days of the invoice date. A late fee of \$75 will be added to unpaid invoices within the 7 day allowance. Fees unpaid by invoice may be deducted from client accounts.

Per account termination fee or per account transfer out fee is \$75 per account terminated or per account transferred out.



Fees from third party advisors may be withdrawn directly from the client's accounts with the client written authorization. Fees withdrawn will vary depending on the third party advisor. Clients should review the ADV Part 2A of the third party advisor for additional information.

### **Discretionary Management.**

If Balance Investments is hired for the management of investment portfolios, Client hereby appoints Advisor as attorney-in-fact with discretionary trading authority to manage Client's assets. Advisor is granted authority to give instructions to buy, sell or transfer exchange traded funds, mutual funds, stocks, bonds, cash and other securities or financial instruments on Client's behalf. Advisor will arrange for delivery and payment thereof, and act on behalf of Client in all matters incidental to handling Client's investment accounts. This authority does not grant Advisor authority to take custody or possession of Client's funds or securities, except for debit of advisory fees.

The following procedures will generally be followed in managing individual investment portfolios:

1. Client and Advisor will agree on investment objectives individually tailored to Client's unique personal situation, liquidity and income needs, time horizon, attitude toward risk, and special investment concerns. Client and Advisor will agree upon a long-term asset allocation.
2. Advisor will recommend investments believed to be appropriate to Client. Advisor will assist Client in opening accounts, filling out initial application and transfer forms. Advisor will never accept cash for remittance to an account.
3. Advisor may use "dollar cost averaging", "asset allocation" and/or other appropriate methods when investing money, according to Client's objectives and the economic climate.
4. Client will receive prospectuses, confirmations, and statements of all transactions from custodian processing the transactions either through paper copies or electronically.
5. Client will receive all proxies and is responsible for the voting of such proxies. If Client needs help with this process Client can solicit advice from Advisor on how to proceed. However, Advisor shall not be deemed to have proxy voting authority solely as a result of providing such advice to Client.
6. Advisor will review Client's account(s) to ensure consistency with Client's written investment objectives and asset allocation strategy.
7. On at least a semiannual basis, Advisor will seek to meet either in person, by email or regular mail, via conference call or through whatever means is available for communication to discuss Client's investment objectives, investment performance, asset allocation, and individual investments in Client's portfolio.
8. Advisor shall not have discretionary authority to direct the execution of the investment transactions for or on the behalf of Client unless Client has selected to use Advisor's Investment Advisory and Management Service.
9. It is understood that Advisor performs investment advisory services for various clients. Client agrees that Advisor may give advice and take action in the performance of Advisor's duties with respect to any of Advisor's other clients which may differ with respect to Advisor's own or Client's accounts.
10. Client understands and agrees that Client's securities, including cash, are to be held by a custodian.
11. Advisor shall not be held responsible for any loss incurred by the reason of any act or omission of Client's custodian.
12. Advisor will not act as a broker or dealer in any cross trades or transactions with Client and any other client or with any employee of the firm.

**Responsibilities of Client.** Client agrees to provide complete and accurate information regarding financial circumstances, investments, income tax situation, estate plan and other pertinent facts as requested by Advisor in order to perform services under this Agreement. Client also agrees to keep Advisor informed of changes in Client's financial circumstances and investment goals. Client acknowledges that Advisor cannot adequately provide the services requested by Client unless Client provides such information completely and candidly, and that the value of Advisor's analyses and recommendations depends entirely upon the adequacy and accuracy of the information provide by Client.



Client authorizes Advisor to consult with and obtain information about Client from Client's accountant, attorney and other advisors (subject to the **Confidentiality** agreement below), and to rely upon such information with verification. Client agrees that any charges from these advisors are Client's responsibility and are not covered by the fees paid to Advisor.

**Confidentiality.** All information and advice furnished by either party to the other, including their agents, attorneys and employees, shall be treated as confidential and not disclosed to third parties except as agreed upon in writing or required by law; provided however, that Advisor is given absolute authority by Client to disclose, provide copies of and communicate information obtained from Client or developed by Advisor, or to speak openly with them about Client's financial situation. If Client wishes Advisor to share information with anyone about their situation Client will sign a release of information agreement. Our relationship is with both Clients signing this document. You acknowledge you are asking us to work openly with you as a union. Accordingly, we must and will treat all communications and actions by either of you as common knowledge that we are free to disclose to the other. Either Client may terminate this agreement at any time, but the other Client would have to be informed, either by you or by the Advisor. By signing this Agreement you acknowledge this disclosure.

**Client Understanding and Acceptance of Certain Risks.** Client understands and acknowledges that Advisor obtains a wide variety of publicly available information from numerous sources, and that Advisor has no sources, and does not claim to have sources, of insider or private information. The recommendations and advice developed by Advisor are based upon the professional judgment of Advisor and its employees. Advisor does not guarantee the results of any recommendation or advice. Client agrees and understands that no guarantee of any kind is expressed or implied regarding investment performance, financial markets, investment vehicles, economic conditions, or any matter related to advice or investment management given to Client by Advisor. Advisor makes no promises, guarantees or warranties that any services will result in a profit. Investment management will be in accordance with agreed upon written investment objectives. Client understands that investments carry differing levels of risk which may result in loss of value and that past performance of investments recommended by Advisor should not be construed as an indication of future results. Client understands that Advisor's advice may differ from client to client based on the individual time horizon, risk tolerance, financial situation of each client and other subjective criteria unique to each of Advisor's Clients. Client understands that their account is not insured and that the value of the account and the investments in the Account will fluctuate over time and, at any point in time, may be more or less than the amount originally invested in the account.

**Legal and Accounting Services.** It is understood and agreed that Advisor and its employees are not qualified to and will not render any legal or accounting advice nor prepare any legal or accounting documents for use in connection with Client's financial, investment, or estate plans. Client is encouraged to obtain legal and accounting services from professional sources to implement Advisor's recommendations. Advisor will cooperate with any attorney, accountant, investment manager, or insurance professional chosen by Client (subject to **Responsibilities of Client** above) with regard to implementation of any recommendations.

**Fees to Advisor.** In consideration of the reports and services referred to in this document and selected by Client, Client will pay to Advisor the applicable fees set forth in this Agreement. By signing this Agreement, Client acknowledges that the fee schedule is a binding part of this contract. Advisor will not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of clients. If Client has engaged Advisor for Investment Advisory and Management, service fees are charged monthly, at the beginning of each month, in arrears, for the previous month and are debited from one or more of Client's account(s) being managed by Advisor. Fees may also be charged for certain account types such as 529 Plans and other plan types and payment may be debited from one or more of Client's account(s) being managed by Advisor. Advisor will send an invoice or billing statement to Client and the Custodian if requested by Client. The statement sent will provide details of the fee calculation. Client understands that any and all stock or bond brokerage commissions,



mutual fund and exchange traded fund transaction fees and internal expenses, account opening, maintenance, transfer or termination fees, cash wire transfer fees or other third-party charges are separate from Advisor's fees. These fees are charged by financial custodian and/or services firms used by Client.

**Termination.** The term of the Agreement is open ended and either party may terminate the Agreement. Advisor will accept Client's request to terminate services immediately without penalty at any time. Advisor will give client a 30 day written notice before terminating the service. If the Agreement is terminated prior to completion of Advisory services, Client agrees to pay Advisor's fees for all services rendered to the date of termination and Advisor agrees to prorate the fees according to the number of days for assets managed if termination occurs mid-month. Unless Client has received the firm's disclosure brochure at least 48 hours prior to signing the Agreement, the Agreement may be terminated by the Client within five (5) business days of signing the Agreement without incurring any advisory fees. Client may terminate the Agreement for services within 5 business days of execution without penalty. Client will incur a pro rata charge for bona fide services rendered prior to the termination and applicable fees per account terminated or per account transferred out.



**Additional Items.**

1. This Agreement shall be applicable to recommendations and advice prepared by Advisor for Client under this Agreement, including all written proposals and financial plans. It shall not relate to any recommendations or advice given by Advisor or any person not specifically designated by Advisor to perform such services under any other Agreements. Neither party may assign, convey or otherwise transfer any of its rights, obligations or interests herein without the prior written consent of the other party.
2. Subject to the provisions regarding assignment, this Agreement shall be binding on the heirs, executors, administrators, legal representatives, successors and assigns of the respective parties. This Agreement authorizes Advisor to continue to accrue fees after death and during the transfer of assets to heirs. If the account is frozen and no debit can be made until the assets are transferred then Advisor will debit those fees before transfer to new custodian or new Client. If Advisor is not able to debit the accounts before transfer the accrued fees will become a liability of the estate and prompt payment is expected.
3. This Agreement represents the complete Agreement of the parties with regard to the subject matter and supersedes any prior understanding or agreements, oral or written.
4. This Agreement may be amended, revised, replaced and superseded by subsequent Agreements only by an instrument in writing and made available through official communication by Advisor.
5. The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of North Carolina, provided that nothing herein shall be construed in any manner inconsistent with the Investment Advisers Act of 1940 or any rule, regulation or order of the Securities and Exchange Commission promulgated there under.
6. Any controversy or claim arising out of or relating to this Agreement, or to the construction or breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rule of the American Arbitration Association. Such arbitration shall be before three arbitrators, in the county of Iredell, in the state of North Carolina.
7. Judgment on the award rendered by the arbitrators or the majority of them shall be final and may be entered in any court having jurisdiction thereof.
8. Advisor considers a portfolio to mean all accounts managed by Advisor for client. Therefore, one account may or may not be broadly diversified but is considered in the entire portfolio asset allocation.
9. Client acknowledges and understands that Advisor will use electronic methods for notice and official communication with Client; email, texting, chatting, IM, web portals and/or virtual vaults are some examples which will be considered official communication and will be treated the same as regular mail. If Client does not want to communicate electronically, it will be the Client's responsibility to notify the Advisor and once received the Advisor will correspond with Client via USPS mail, telephone or other communication going forward.



**Receipt of From ADV, Part 2 (Firm Brochure).** By signing this Agreement, Client acknowledges receipt of From ADV, Part 2 which discloses Advisor's services and fees, educational and business background, conflicts of interest, methods of analysis, and other information as required by the Investment Advisers Act of 1940. Client further acknowledges that a copy of the current ADV Part 1 or Part 2 will be furnished at any time upon Client's request or by accessing the most current version available at [www.balance-investments.com/FAQs](http://www.balance-investments.com/FAQs).

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## *Privacy Notice*

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Balance Investments LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to you annually, in writing.