



**MAROTTA**  
WEALTH MANAGEMENT

# **INVESTMENT ADVISORY AGREEMENT**

Marotta Wealth Management, Inc.  
1000 Ednam Center, Suite 200  
Charlottesville, VA 22903-4615

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## Investment Advisory Agreement

AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
between the undersigned party (List all names, e.g., husband and wife, who will sign this document.),

\_\_\_\_\_,  
whose mailing address is: \_\_\_\_\_,  
(hereafter referred to as “Client”), and Marotta Wealth Management, Inc., a Registered Investment  
Advisor, whose principal mailing address is 1000 Ednam Center, Suite 200, Charlottesville, VA 22903  
(hereafter referred to as “Advisor”).

## A. Advisor Obligations/Compensation

### 1. Scope of Engagement

a. Client appoints Advisor as Investment Advisor to perform the services described in this Agreement, and Advisor accepts such appointment. Client delegates to Advisor all of its powers with regard to the investment and reinvestment of assets and appoints Advisor as Client’s attorney and agent in fact with full authority to buy, sell, or otherwise effect investment transactions for the Account involving assets in Client’s Name and/or assets the Client has authority to direct. These assets, together with all additions, substitutions, and alterations, are hereafter referred to as “Assets” or “Account.”

b. Advisor is authorized to make transactions in and among stocks, bonds, mutual funds, sub-advisors, independent investment managers, and/or programs (with or without discretion, depending on independent investment manager or program) and other securities and/or contracts, relating to the same, on margin (only if written authorization was granted) or otherwise, and to give instructions in furtherance of such authority to registered broker-dealer and custodian of Assets.

c. Advisor will discharge its investment management responsibilities consistent with Client’s designated investment objectives.

d. In the event Account is a retirement plan sponsored by Client’s employer, Client acknowledges that Advisor’s investment selection will be limited to the investment alternatives provided by the retirement plan. In the event Account sponsor or custodian does not permit Advisor direct access to Account and Client provides Advisor with Client’s password and/or log-in information to effect Account transactions, Client acknowledges and understands that (1) Advisor will not receive any communications from Account sponsor or custodian, and it will remain Client’s exclusive obligation to notify Advisor of any changes in investment alternatives, restrictions, etc., pertaining to Account; (2) Advisor will not be responsible for any costs, damages, penalties, or otherwise resulting from Client’s failure to so notify Advisor; and (3) Advisor’s authority will be limited to allocation of Assets among the investment alternatives available through the plan.

e. The services provided by Advisor under this Agreement include initial and ongoing financial planning and/or consultation services to the extent Client specifically requests such services. In the event the Advisor decides that a request requires extraordinary services, Advisor may charge an additional fee as described in a separate written notice.

f. Client authorizes Advisor to respond to inquiries from, and communicate and share information with, Client’s attorney, accountant, and other professionals to the extent necessary to further Advisor’s services under this Agreement.

## **2. Advisor Compensation**

a. Advisor's annual fee for investment management services provided under this Agreement will be based on a percentage of the market value of Assets under management in accordance with the fee schedule (see enclosed Exhibit A). This annual fee will be prorated and paid quarterly, in advance, based on market value of Assets on last business day of the previous quarter. No increase in annual fee percentage will be effective without prior written notification to Client.

b. Client authorizes custodian of Assets to charge the Account for the amount of Advisor's fee and to remit the fee to Advisor in compliance with regulatory procedures.

c. In addition to Advisor's annual investment management fee, Client will also incur with all mutual fund and exchange-traded fund purchases, charges imposed directly at the fund level (e.g., management fees and other fund expenses) and by independent investment managers, the fees charged by each separate manager engaged to manage the Assets.

d. No portion of Advisor compensation will be based on capital gains or capital appreciation of the Assets except as provided for under the Investment Advisors Act of 1940.

## **B. Client Obligations/Representations**

### **1. Restrictions/Scope of Services**

a. Unless Client has advised Advisor to the contrary, in writing, Client imposes no restriction on Advisor regarding management of Assets. Client agrees to provide information and/or documentation requested by Advisor in furtherance of this Agreement as it pertains to Client's objectives, needs, and goals, and Client maintains exclusive responsibility to keep Advisor informed of any changes regarding same. Client acknowledges that Advisor cannot perform services adequately for Client unless Client fulfills these responsibilities diligently. Advisor will not be required to verify any information obtained from Client, Client's attorney, accountant, or other professionals.

b. With respect to Advisor's planning and consulting services, Client acknowledges that (1) he or she is free at all times to accept or reject any recommendation from Advisor and has the sole authority with regard to the implementation, acceptance, or rejection of any recommendation or advice from Advisor; (2) recommendations (e.g., estate planning, retirement planning, taxes, insurance, etc.) may be discussed and/or implemented, at Client's sole discretion, with the corresponding professional Advisor(s) (e.g., broker, accountant, attorney, insurance agent, etc.) of Client's choosing (which may include affiliated entities and/or representatives of the Advisor); (3) in regard to estate planning and tax planning, Advisor will facilitate contact between Client and corresponding professional advisor(s) and Client should defer to said attorney or accountant; and (4) Client will maintain sole responsibility to notify Advisor of any change in the financial situation or investment objective(s) for the purpose of reviewing/evaluating/revising Advisor's previous recommendations and/or services and/or to address new planning or consulting matters.

**2. Proxies**

Advisor does not vote proxies. Client will maintain all proxy voting responsibility pertaining to the Assets.

**3. Cost Basis**

Client is responsible to provide and verify all cost basis information.

**4. Directions to the Advisor**

All directions, instructions, and/or notices from Client to Advisor will be in writing. Advisor will be fully protected in relying on any direction, notice, or instruction until duly advised in writing of any changes.

**5. Authority**

Client represents to Advisor that (a) Client has all requisite legal authority to execute this Agreement and (b) there are no encumbrances on the Assets. Client correspondingly agrees to notify Advisor immediately, in writing, in the event either of these representations should change.

**C. Risk/Liability****1. Risk**

Advisor does not guarantee future performance of the Account or any specific level of performance, the success of any investment recommendation or strategy Advisor may take or recommend for the Account, or the success of Advisor's overall management of the Account. Client understands that investment recommendations by Advisor are subject to various market, currency, economic, political, and business risks and those investment decisions will not always be profitable.

**2. Advisor Liability**

Advisor, acting in good faith, will not be liable for any action, omission, investment recommendation/decision, or loss in connection with this Agreement, including, but not limited to, the investment of the Assets or the acts and/or omissions of other professionals or third-party service providers recommended to Client by Advisor, including a broker-dealer and/or custodian. If the Account contains only a portion of Client's total assets, Advisor will only be responsible for those assets designated as the subject of the Advisor's investment management services under this Agreement without consideration of those additional assets not so designated.

a. If, during the term of this Agreement, Advisor purchases specific individual securities for the Account at the Client's direction (i.e., the request to purchase was initiated solely by the Client), Client acknowledges Advisor will do so as an accommodation only, and Client will maintain exclusive ongoing responsibility for monitoring any and all such individual securities and their disposition. Correspondingly, Client further acknowledges and agrees Advisor will not be responsible for the performance of any and all such securities, regardless of whether any such security is reflected on any Advisor-prepared quarterly Account reports.

b. Client acknowledges that investments have varying degrees of financial risk and Advisor will not be responsible for any adverse financial consequences to the Account resulting from any investment that, at the time made, was consistent with Client's investment objectives.

c. Client further acknowledges and agrees that Advisor will not bear any responsibility whatsoever for any adverse financial consequences occurring during the Account transition process (i.e., the transfer of Assets from Client's previous advisors/custodians to the Accounts to be managed by the Advisor) resulting from (a) securities purchased by Client's previous advisor(s), and (b) the sale by Advisor of securities purchased by Client's previous advisor(s) subsequent to completion of the Account transition process.

d. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing in this Agreement will in any way constitute a waiver or limitation of any rights the Client may have under any federal or state securities laws.

**D. Miscellaneous****1. Custodian**

An independent custodian, not Advisor, will hold the Assets. Advisor is authorized to instruct custodian with respect to all investment decisions regarding the Assets, and custodian is authorized and directed to effect transactions, deliver securities, and otherwise take such actions as Advisor directs in connection with the performance of Advisor's obligations in respect to the Assets.

**2. Account Transactions**

a. For Advisor to discharge its responsibilities, it must engage in the securities brokerage transactions described earlier.

b. The broker-dealer generally charges commissions and/or transaction fees for effecting securities transactions.

c. In return for effecting securities brokerage transactions through certain broker-dealers, Advisor may receive from those broker-dealers certain investment research products and/or services that assist Advisor in its investment decisions for Client. All these transactions will comply with Section 28(e) of the Securities Exchange Act of 1934.

d. The brokerage commissions and/or transaction fees charged to Client for securities brokerage transactions are exclusive of, and in addition to, Advisor compensation as defined in section A, paragraph 2.

**3. Reports**

The Client acknowledges that Advisor and/or Account custodian will provide Client with periodic reports for the Account. In the event Advisor provides supplemental Account reports that include assets for which Advisor does not have discretionary investment management authority, Client acknowledges the reporting is provided as an accommodation only and does not include (a) investment management, review, or monitoring services or (b) investment recommendations or advice. As such, Client, not

Advisor, will be exclusively responsible for investment performance of any such assets or accounts. In the event Client desires Advisor to provide investment management services with respect to any such assets or accounts, Client may engage Advisor to do so for a separate and additional fee.

#### **4. Termination**

This Agreement will continue in effect until either party terminates it by signed written notice to the other. Termination of this Agreement will not affect (a) the validity of any action previously taken by Advisor under this Agreement, (b) liabilities or obligations of the parties from transactions initiated before termination of this Agreement, or (c) Client's obligation to pay advisory fees (prorated through the date of termination). Upon the termination of this Agreement, Advisor will no longer be obligated to recommend or take any action with regard to the securities, cash, or other investments in the Account.

#### **5. Assignment**

This Agreement may not be assigned (within the meaning of the Investment Advisors Act of 1940) by either Client or Advisor without the prior consent of the other party. Client acknowledges and agrees that transactions not resulting in a change of actual control or management of Advisor will not be considered an assignment pursuant to Rule 202(a)(1)-1 of the Investment Advisors Act of 1940. Should there be a change in control of Advisor, resulting in an assignment of this Agreement (as that term is defined under the Advisors Act), the successor Advisor will notify the Client and continue to provide the services previously provided to Client by Advisor. If Client continues to accept such services provided by the Successor without written objection during the 60-day period subsequent to receipt of the written notice from the Successor, the Successor will assume Client has consented to the assignment, and Successor will become Advisor to Client under the terms and conditions of this Agreement.

#### **6. Nonexclusive Management**

Client acknowledges that the Advisor, its officers, employees, and agents, may have or take the same or similar positions in specific investments for their own accounts or for the accounts of other Clients as the Advisor does for the Assets. Client expressly acknowledges and understands that Advisor is free to render investment advice to others and Advisor does not make its investment management services available exclusively to Client. Nothing in this Agreement imposes on Advisor any obligation to purchase, sell, or recommend for purchase or sale for the Account any security that Advisor, its principals, affiliates, or employees, may purchase or sell for their own accounts or for the account of any other Client if, in the reasonable opinion of Advisor, such investment would be unsuitable for the Account or if Advisor determines in the best interest of the Account it would be impractical or undesirable.

#### **7. Death or Disability**

The death, disability, or incompetency of Client will not terminate or change the terms of this Agreement. However, Client's executor, guardian, attorney-in-fact, or other authorized representative may terminate this Agreement by giving written notice to Advisor. Client recognizes the custodian may not permit any further Account transactions until such time as any documentation required is provided to the custodian.

**8. Arbitration**

Subject to the conditions and exceptions noted below, and to the extent not inconsistent with applicable law, in the event of any dispute pertaining to Advisor's services under this Agreement that cannot be resolved by mediation, both Advisor and Client agree to submit the dispute to arbitration in accordance with the auspices and rules of the American Arbitration Association (AAA), provided the AAA accepts jurisdiction. Advisor and Client understand that such arbitration will be final and binding, and by agreeing to arbitration, both Advisor and Client are waiving their respective rights to seek remedies in court, including the right to a jury trial. Client acknowledges having a reasonable opportunity to review and consider this arbitration provision before the execution of this Agreement.

**9. Privacy Notice**

Client acknowledges prior receipt of Advisor's Privacy Notice.

**10. Disclosure Statement**

Client acknowledges prior receipt of the Disclosure Statement of the Advisor as set forth in Part II of Form ADV (Uniform Application for Investment Advisor Registration). Client further acknowledges the reasonable opportunity (i.e., at least 48 hours) to review said Disclosure Statement and to discuss its contents with professionals of his choosing before execution of this Agreement. If Client has not received a copy of Advisor's Disclosure Statement at least 48 hours before execution of this Agreement, Client will have 5 business days from date of execution of Agreement to terminate Advisor's services without penalty.

**11. Severability**

Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction.

**12. Client Conflicts**

If this Agreement is between Advisor and related Clients (e.g., husband and wife, life partners, etc.), Advisor's services will be based on the joint goals communicated to the Advisor. Advisor will be permitted to rely on instructions from either party with respect to the Assets, unless and until such reliance is revoked in writing to Advisor. Advisor will not be responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the Clients.

**13. Entire Agreement**

This Agreement supersedes and replaces, in its entirety, all previous investment advisory agreement(s) between the parties.

**14. Amendments**

Advisor may amend this Agreement upon written notification to Client. Unless Client notifies Advisor to the contrary, in writing, the amendment will become effective 30 days from the date of mailing.

**15. Applicable Law/Venue**

To the extent not inconsistent with applicable law, this Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Virginia. In addition, to the extent not inconsistent with applicable law, the venue for the resolution of any dispute or controversy between Advisor and Client will be the County of Albemarle, Commonwealth of Virginia.

**16. Electronic Delivery**

Client authorizes Advisor to deliver, and Client agrees to accept, all required regulatory notices and disclosures via e-mail, as well as all other correspondence from Advisor. Advisor will have completed all delivery requirements upon the forwarding of such document, disclosure, notice, and/or correspondence to the Client's last provided e-mail address.

IN WITNESS WHEREOF, Client and Advisor have each executed this Agreement on the day, month, and year noted.

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

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

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

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

MAROTTA WEALTH MANAGEMENT, INC.

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

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



## Exhibit A:

Our annual managed account fee is based on the value of assets under our management.

### Comprehensive Level

Our Comprehensive service level fees start at 0.25% of the amount of investable assets we manage billed quarterly (1% annual) and the rate is discounted for amounts over one million dollars as follows:

- 0.25% of the first million (\$1M) which is 1% annual
- 0.20% for the next 2 million (\$1–3M) which is 0.8% annual
- 0.175% for the next 2 million (\$3–5M) which is 0.7% annual
- 0.15% for the next 5 million (\$5–10M) which is 0.6% annual
- 0.125% for the next 15 million (\$10–25M) which is 0.5% annual
- 0.1% for the remainder (\$25M+) which is 0.4% annual

Our minimum fee for services is \$2,500 per quarter or \$1 million in assets under management.

### Collaborative Level

Our Collaborative service level fees are 0.25% of the amount of investable assets we manage billed quarterly (1% annual).

Our minimum fee for Collaborative services is \$1,000 per quarter or \$400,000 in assets under management. Collaborative level clients can move to the Comprehensive service level once they are paying at least the Comprehensive level fee minimums.

### Do-It-Yourself Level

Our Do-It-Yourself service level fees are 0.1% of the amount of investable assets we manage billed quarterly (0.4% annual).

There are no minimum fees for Do-It-Yourself services.

Bonus services are also offered for an additional planning fee.

### Retirement Plan Management

We have a lower fee schedule for corporate retirement plans (e.g. 401(k) accounts) because participants do not receive the personalized service we offer our comprehensive wealth management clients. We bill quarterly and our fee schedule for corporate retirement plans is as follows:

- 0.125% of the first million (\$1M) which is 0.5% annual
- 0.1% for the next 2 million (\$1–3M) which is 0.4% annual
- 0.0875% for the next 2 million (\$3–5M) which is 0.35% annual
- 0.075% for the next 5 million (\$5–10M) which is 0.3% annual
- 0.0625% for the next 15 million (\$10–25M) which is 0.25% annual
- 0.05% for the remainder (\$25M+) which is 0.2% annual

Accounts are billed quarterly in advance.

As fee-only financial planners, we receive no other form of compensation.