

# FPR Investments LLC

## Performance-Based Fee Investment Advisory Agreement

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On this date \_\_\_\_\_, by and between FPR Investments LLC ("FPR") and \_\_\_\_\_ ("Client").

### WITNESSETH

WHEREAS, the undersigned Client being duly authorized has funds available ("Account"). In consideration of the premises and mutual covenants contained herein, and intending to be legally bound hereby agrees to the following terms and conditions:

### **(A) Appointment and Acceptance as Investment Advisor**

The Client hereby appoints FPR as investment advisor for the Account. FPR shall supervise and direct the investments of and for the Account, subject to the objectives, limitations and restrictions listed in Schedule A.

### **(B) Duties of FPR**

FPR hereby accepts appointment and fiduciary duty of utmost good faith to act solely in the best interest of each Client pursuant to the terms and conditions set forth in this Agreement and to comply with impartial conduct standards of:

- Charging no more than reasonable compensation for services provided; and
- Making no misleading statements regarding investments, compensation and conflicts of interest.

FPR shall **have authority in its sole discretion** to:

1. Determine the securities to be bought and sold for the Client's account and the amount of securities to be bought or sold for the Client's account.
2. Direct the Custodian to exercise or abstain from exercising any options, privileges or rights held as part of the account.
3. Render to Client at least quarterly a written statement of the investments of the Account. This statement may come directly from the Custodian.

**FPR will not be required to take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the Account may be invested from time to time.**

FPR represents and warrants that it has authority to enter into this Agreement and to perform this Agreement in accordance with its terms and that it is registered as an investment advisor under the laws of the State of South Carolina and other jurisdictions in which it may conduct business.

### **(C) Duties of Client**

Client agrees to:

1. Notify FPR of a change in life status including but not limited to, employment, retirement, marital status, or household.
2. Promptly notify FPR in writing of any changes to its investment policy, and any changes to the restrictions or limitations applicable to the Account, and to provide FPR with prior written notice of any changes in the identity of persons authorized to receive information with respect to the Account.
3. Execute any and all agreements, including limited powers of attorney, necessary or appropriate to enable FPR to perform its investment advisory services hereunder.

4. Cause the Custodian to pay all Account charges and fees, including but not limited to brokerage commissions and taxes, and investment advisory fees.
5. Client warrants and represents to us that they meet one of the following:
  - a. A natural person who, or a company that, immediately after entering into the contract has at least \$1,100,000 under the management of the investment advisors; or
  - b. Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,200,000. Clients' residence must not be included as an asset.

**(D) Custodian**

The Custodian at the time this Agreement is executed is identified in Schedule C. FPR may receive certain administrative benefits from the Custodian that enable FPR to provide the Client with advisory services.

Under no circumstances will FPR act as Custodian for the Account or have possession of any portion of the funds or investments of the account except for authorized fee withdrawal.

**(E) Directed Brokerage**

In circumstances where a Client directs FPR to use a certain broker-dealer, FPR still has a fiduciary duty to its Clients. The following may apply with Directed Brokerage: FPR's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among Clients and conflicts of interest arising from brokerage firm referrals.

**(F) Services to Other Clients**

It is understood that FPR performs investment advisory services for various Clients. Client agrees that FPR may give advice and take action in the performance of its duties with respect to any of its other Clients which may differ with the advice given or action taken with respect to the Account, so long as it is FPR's policy, to the extent practical, to allocate investment opportunities to the Account over a period of time on a fair and equitable basis relative to other Clients. Nothing in this Agreement shall be deemed to confer upon FPR any obligation to acquire for the Account a position in any security which FPR, its principals or employees may acquire for its or their own accounts or for the account of any other Client, if in the sole and absolute discretion of FPR it is not for any reason practical or desirable to acquire a position in such security for the Account. FPR shall not be held responsible for any loss incurred by reason of any independent act or omission of any broker or the Custodian for the Account.

**(G) Fees**

Client agrees to pay to FPR an annual investment advisory fee based on the assets under management plus a percentage of the yearly portfolio performance above an agreed upon benchmark as outlined in Schedule D.

To the extent that FPR charges a performance-based fee, the performance-based fee will comply with the requirements of Section 205 and Rule 205-3 under the Investment Advisers Act of 1940.

In computing the market value of any investment of the Account, each security listed on any national securities exchange or otherwise subject to current last-sale reporting shall be valued at the last sale price on the valuation date. FPR itself, does not price any investment or security for which it charges a management fee or that is included in the portfolio return

The investment advisory fee is billed directly to the Custodian. The Custodian deducts the fee for the Account upon receipt of the invoice, or shortly thereafter.

Client shall be given thirty (30) days prior written notice of any increase in fees and Client will acknowledge, in writing, any agreement of increase in said fees.

**(H) Duration and Termination**

This Agreement shall become effective on the date written above and shall continue in effect until terminated. This agreement may be terminated by FPR with thirty (30) days written notice to Client or by Client at any time with written notice to FPR. Clients will be responsible for investment advisory fees up to and including the effective date of termination.

No assignment of this Agreement by FPR shall be effective without the prior written consent of Client. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty.

**(I) Confidentiality**

Client's personal information will be disclosed to third parties as presented in the privacy policy of FPR.

**(J) Title to Assets**

Except to the extent Client has notified, or in the future notifies, FPR in writing, Client represents that assets in the Account belong to Client free and clear of any liens or encumbrances.

**(K) Market Conditions**

Client acknowledges that FPR's past performance and advice regarding Client's Account cannot guarantee future results. **Client investments can appreciate or depreciate.** FPR does not guarantee or warranty that services offered will result in profit.

**(L) Notices**

All notices and other communications contemplated by this Agreement shall be deemed duly given if it is transmitted to FPR at:

507 17<sup>th</sup> Ave S  
North Myrtle Beach, SC 29582

Or via email at [francisprivell@pfprinvestments.com](mailto:francisprivell@pfprinvestments.com)

And to Client at the address appearing below, or at such other address or addresses that shall be specified, in each case, in a written notice similarly given.

**(M) Governing Law**

The validity of this Agreement and the rights and liabilities of the parties hereunder shall be determined in accordance with the laws of the State in which the Client resides, except to the extent preempted by ERISA.

**(N) Captions**

The section headings of this Agreement are inserted for convenience of reference only, and shall not affect the interpretation of this Agreement.

**(O) Brochure and Privacy Notice**

Client acknowledges receipt of the Privacy Policy and Form ADV Part 2A & 2B of FPR. If Form ADV Part 2A & 2B was not delivered to the Client at least 48 hours prior to the Client entering into any written advisory contract with FPR, then the Client has the right to terminate the contract without penalty within five (5) business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.

\_\_\_\_\_  
Client Initials

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Initials

\_\_\_\_\_  
Date

Client chooses to have all required documents delivered via electronic communication, including, but not limited to, the documents listed above. Please send my documents to my secure online portal or email address:

Email Address

Email Address

**Email Address Certification.** You certify that the email address provided (“Client Email”) is a functioning email address owned and maintained by you or your agent on your behalf, and that all electronic communications of reports sent to the Email Address shall be accessible by you. You agree to notify us in writing, of any change in the Email Address.

FPR reserves the right to email additional forms and/or documents to the email indicated above. My signature below authorizes FPR to send any forms or documents that they feel are necessary to my email address.

**(P) Entire Agreement and Amendment**

This Agreement (including the Schedules listed below) contains the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes all prior written agreements and understandings with respect hereto. This Agreement may only be amended or modified, and the terms hereof may only be waived, in writing, signed by all parties hereto or in the case of a waiver, by the party entitled to the benefit of the terms being waived.

- Schedule A Client’s Individual Account Level Suitability
- Schedule B Identification of Authorized Persons
- Schedule C Identification of Custodian
- Schedule D Schedule of Fees

IN WITNESS WHEREOF, the parties hereto have executed and agreed to this Agreement as of the date below,

**FPR Investments LLC**

By: \_\_\_\_\_  
Advisor Signature

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

**CLIENT DATA**

Name: \_\_\_\_\_

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

\_\_\_\_\_

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

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

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

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

**SCHEDULE A Client's Individual Account Level Suitability**

Complete the information below for each different registration type.

**Account 1**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

**Account 2**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

**Account 3**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

**Account 4**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

**Account 5**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

**Account 6**

Owner of account: \_\_\_\_\_  
Type of account: \_\_\_\_\_  
Risk tolerance: \_\_\_\_\_  
Investment objective: \_\_\_\_\_  
Investment horizon: \_\_\_\_\_  
Restrictions: \_\_\_\_\_  
Source of funds: \_\_\_\_\_  
Liquidity needs: \_\_\_\_\_

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**SCHEDULE B Identification of Additional Authorized Persons**

The following persons are authorized to receive information with respect to the Account. Client will provide FPR with prior written notice of any changes to authorized persons.

Name(s): \_\_\_\_\_

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**SCHEDULE C Identification of Custodian**

Custodian: \_\_\_\_\_

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**SCHEDULE D Schedule of Fees*****Managed by FPR:***

FPR charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Annual Fee	Negotiated Annual Fee
First \$1,000,000 (\$0 - \$1,000,000)	1.75%	
Next \$1,000,000 (\$1,000,000.01 - \$2,000,000)	1.50%	
Next \$1,000,000 (\$2,000,000.01 - \$3,000,000)	1.25%	
Next \$7,000,000 (\$3,000,000.01 - \$10,000,000)	1.00%	
Amounts Over \$10,000,000	0.75%	

This is a tiered/blended fee schedule, the asset management fee is calculated by applying different rates to different portions of the portfolio.

The annual fee is negotiable. Lower fees for comparable services may be available from other sources. Fees are billed quarterly in arrears based on the amount of assets managed as of the close of business on the last business day of the previous quarter. If margin is utilized, the fees will be billed based on the net asset value of the account. FPR considers cash to be an asset class, and as such is included in fee calculations. Also, to be noted, at times fees will exceed the money market yield. Clients may terminate their account within five (5) business days of signing the Agreement with no obligation and without penalty. After the initial five (5) business days, the Agreement may be terminated by FPR with thirty (30) days written notice to Client and by the Client at any time with written notice to FPR. For accounts opened or closed mid-billing period, fees will be prorated based on the days services are provided during the given period. All unpaid earned fees will be due to FPR. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

#### PERFORMANCE-BASED FEES

For Qualified Clients, FPR receives an asset management fee as disclosed above and only earns an additional fee for beating the benchmark equal to 15% of the yearly portfolio performance above an agreed upon benchmark. A high water mark will be applied in the calculation of performance-based fees. Clients will only pay the additional performance fees on gains that exceed their investment's previous highest value. This ensures that no additional performance fees are charged until the portfolio surpasses its prior high, preventing double fees and ensuring clients are not charged twice for the same gains.

The annual fee is negotiable. Performance-based fees are charged annually in arrears. Lower fees for comparable services may be available from other sources. Performance-based fees are deducted from the Clients' account by the custodian and will be reflected in a provided fee invoice as fees are withdrawn. Clients may terminate their account within five (5) business days of signing the Agreement with no obligation and without penalty. After the initial five (5) business days, the Agreement may be terminated by FPR with thirty (30) days written notice to Client and by the Client at any time with written notice to FPR. FPR will be entitled to a pro rata fee for the days service was provided in the year. Client shall be given thirty (30) days prior written notice of any increase in fees, and Client will acknowledge, in writing, any Agreement of increase in said fees.

\_\_\_\_\_ % of the yearly portfolio performance above Benchmark

Benchmark: \_\_\_\_\_

***By initialing below, Client agrees to the above performance-based fee arrangement.***

\_\_\_\_\_  
Client Initials

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client Initials

\_\_\_\_\_  
Date