

Net Worth Advisory Group, LLC
Limited Discretion
Advisory Services Agreement (BSBF, Sector Rotation, and TMA)

Net Worth Advisory Group, LLC ("Firm") will try to obtain for _____
("Client") the best combination of services and competitive rates available.

1. **ADVISORY FEES:** Investment advisory and management fees to be paid to Net Worth Advisory Group, LLC. are based upon the market value of the portfolio, including cash, and are payable monthly in arrears, according to the Schedule below (Item 11). The firm/agent will not be compensated on the basis of a share of capital gains or capital appreciation of the client's funds under management. The fee is prorated if the client terminates services prior to a quarter's end. Fees are negotiable.
2. **BROKERAGE ACCOUNT:** Firm, or its agent, will never have direct access to the client's investment capital. It will be necessary for client to open an account with a mutually agreeable custodian broker/dealer who will hold all cash and securities: Foliofn Investments. The agent will assist client in completing the required account papers, in addition to selecting a broker/dealer, if client so desires. Sole responsibility for the safekeeping of cash, securities, or other property and the consummation of sales, purchases, deliveries and investments made pursuant to any directions shall rest upon the custodian broker/dealer. Any checks drawn on client's account will be at client's instructions only. All transactions will be confirmed by customary statements from client's custodian broker/dealer.
3. **PORTFOLIO STRATEGY:** Each portfolio will contain a discretionary and non-discretionary component. The discretionary aspect of the client's account, allowing the agent to exercise discretion regarding the selection of specific securities. The following investment discipline will be followed.
 - Step 1 Fixed Allocation (non-discretionary): the client and the agent will determine an appropriate mix of stocks, bonds, and cash investments based on the client's risk tolerance and return goals. The asset allocation policy will be maintained unless the client approves of an allocation change. The asset allocation policy will be reviewed with the client at least annually.
 - Step 2 Fixed Allocation - Diversification (non-discretionary): the client and the agent will determine an appropriate diversification strategy. Upon client approval each portfolio will be made up of two distinct strategies: a passively managed buy & hold diversification strategy called *Best Stocks (BSBF)*, and an actively managed stock momentum strategy called *Sector Rotation*. The *BSBF Stock* portfolio will be allocated across the following asset classes weighted as agreed upon by the client: Large-Cap Growth Stocks, Large-Cap Value Stocks, Mid-Cap Growth Stocks, Mid-Cap Value Stocks, Small-Cap Growth Stocks, Small-Cap Value Stocks, International Growth Stocks, International Value Stocks, Government Bond ETFs, Corporate Bonds ETFs, and cash equivalents. As outlined below, the Sector Rotation portion of the portfolio will be comprised of equities from the top five performing sectors of the market. The diversification policy will be maintained unless the client approves a diversification change.
 - Step 3 Security Selection:
Best Stocks from Best Funds-BSBF (Discretionary): In each asset class the following security selection process will be used: 1) Using the Morningstar database (most recent quarterly data) the best two to four mutual funds will be identified in each equity asset

class (eight asset classes total) based on performance versus asset class peers, performance consistency, and manager tenure. 2) The two to four funds will be ranked from best to worst as determined by the advisor. Fifty stocks will be selected for each asset class from the top holdings in these funds. The top 25 stocks will be purchased from the #1 ranked fund, then the largest 25 holdings from the #2 ranked fund, and so on until 50 stocks have been purchased. Because funds in the same asset class often hold the same positions more than two funds may be needed to obtain fifty stocks in each asset class.

Each client will own 400 equities in their *BSBF* portfolios. *BSBF* equity positions will be equally weighted within each asset class. Underlying mutual funds will be reviewed annually and equity holdings will be adjusted if the underlying fund is no longer determined to be among the best in its respective category.

Sector Rotation-SR (Discretionary): the five sectors with the greatest amount of appreciation over the prior six months will be identified from the following sectors: Electronics, Energy, Energy Service, Financial Services, Gold/Precious Metals, Health Care, Industrial Materials, Leisure, Software, Technology, Telecommunications, Transportation, Utilities, and Internet. Ten large-cap global stocks will be purchased from each sector. The largest ten holdings from the respective Fidelity Select sector and Munder Internet funds will be purchased. The amount invested in each sector and the amount invested in the stocks within the sector will be equally weighted. These stocks will be held for three months, at which point the process will be repeated.

TMA Strategy-TMA (Discretionary): TMA is a strategy that moves in and out of 10 stock and 10 bond/cash asset classes (below). At the end of each calendar quarter the performance of each asset class is measured for the prior six-months. The 10 asset classes with the highest 6-month returns are purchased and held for three-months (equal weighted). The process is repeated at the end of each quarter (6-month performance look back, 3-month hold). TMA Portfolios can be as much as 100% stocks or 100% bonds/cash or anywhere in between based on past asset class performance. TMA attempts to participate in extended stock or bond runs. TMA gets into asset classes once momentum is identified and moves out of asset classes once momentum diminishes. Consequently, TMA will buy and sell asset classes a little late (after a move has begun in either direction).

Allocation to TMA: When the TMA strategy is combined with the fixed allocation strategy, TMA will represent _____% of the aggregated portfolio.

Minimum and Maximum Stock Exposure: When the TMA strategy is combined with the fixed allocation strategy the overall portfolio stock exposure can range from: _____% (Minimum) and _____% (Maximum).

Security Exclusions for All Strategies: The following securities and/or industries will be excluded from the client's portfolios: _____).

Step 4 Fixed Allocation - Portfolio Rebalancing (non-discretionary): The selection process for *BSBF* portfolios will be repeated annually based on available Morningstar data. Portfolios will be rebalanced annually during annual client meetings and upon client approval (non-discretionary). *Sector Rotation* and *TMA* portfolios will be adjusted quarterly (discretionary). The agent strongly encourages a continuous dialogue between client and agent regarding investment philosophy. The client understands that the agent does not manage any assets on a margin account basis.

4. **OWNERSHIP:** By mutual agreement of firm/agent and client, the client is not relinquishing ownership of cash or securities in client's account to any other entity. In accordance with the Investment Advisors Act of 1940, or parallel state law and regulation, the firm will not make any assignment of this agreement without client's written consent.
5. **RIGHTS:** Nothing herein shall in any way constitute a waiver or limitation of any rights that the undersigned may have under any federal or state securities laws.
6. **LITIGATION:** If litigation is initiated between the client and firm/agent, it is agreed that the advisor and the client will come to an agreement to submit the dispute to arbitration, mediation, or to file an action in a civil court with appropriate jurisdiction.
7. **ADV PROVIDED:** By signing this agreement the client acknowledges that the client has received a copy of Advisor's Part II of Form ADV as amended to date or a brochure containing equivalent information. Client also represents that client understands the matters described in the above-mentioned Part II of Form ADV or brochure.
8. **TERMINATION:** The agreement shall remain in effect from the date this agreement is signed until canceled by either party upon ten (10) days' written notice to the other. Upon receipt of such notice, this agreement will be terminated and any applicable fee pro-rated in arrears. Until such notice of termination shall be received by this agent, or this agent receives written notice of client's death or legal incompetence, the firm/agent shall be entitled to rely, and shall rely, upon this agreement to provide the firm/agent with authority to continue to invest client's assets as determined by this agent, and/or to continue to provide portfolio advisory and management services.
9. **CONFIDENTIALITY:** All information and advice furnished by either party to the other including their respective agents and employees shall be treated as confidential and shall not be disclosed to third parties except as required by law.
10. **VOTING/PROXIES:** The firm/agent will not be required to take any action or render any advice with respect to the voting or proxies solicited by or with respect to the issuers of securities of any issues on the basis of any such information as may come into its possession.
11. **FEES SCHEDULE:** Investment advisory fees are based upon the following schedule.
The fee paid to Net Worth Advisory Group, LLC will always be a maximum stated in the schedule below. If all parties agree, the actual advisory fee may be lower than the maximum fees stated in the Basic Fee schedule.

Net Worth Advisory Group's Fee Schedule
(% of assets under management)

<u>Account Size</u>	<u>Annual Fee</u>	<u>Paid Monthly</u>
First \$1,000,000	1.50%	0.125%
Over \$1,000,000	Negotiable	

Note: _____ Initials: _____

The total fee the client will pay for the outlined strategies will include brokerage transaction fees. Clients who purchase securities purchased outside of the outlined strategy will incur brokerage transaction fee as charged by the respective broker/dealer.

12. **RISK/RETURN:** These advisory management services should only be used by those individuals who fully understand the inherent risk of any investment program. Although the firm/agent endeavors to control risk and increase gain, it cannot guarantee the profitability of client's portfolio. The client and firm/agent recognize that a period of approximately a full business cycle (five years) is required to objectively evaluate portfolio performance. Client's signature(s) acknowledges client's understanding that this service is a long-term investment program and that the investment value of client's portfolio at any given time will fluctuate.

13. **PROGRAM:** Client's chosen asset management programs and fees are:

<u>Program chosen</u>	<u>Beginning Investment</u>	<u>Annual Percentage</u>
Foliofn Investments	\$	
	\$	
	\$	
	\$	
	\$	
Total:	\$	

Client Name _____
 Address _____

 Business Telephone _____
 Home Telephone _____
 Social Security Number _____

This agreement is hereby accepted and approved. Each of the individuals whose signature appears below warrants that he has full authority to execute this agreement on behalf of the client (where applicable) on whose behalf he/she has affixed his/her signature to this agreement. The person signing below asks that Net Worth Advisory Group, please debit the investment advisory fees from the accounts listed above. In the event that there is not enough cash in the account to cover the fee, please liquidate securities to cover the fee.

By _____ Date _____

By _____ Date _____

By execution of this agreement, agent represents and confirms that he is registered as an Investment Advisor under the Investment Advisers Act 1940 or parallel state registration rules and regulations for investment advisory firms and their representatives.

Net Worth Advisory Group, LLC.

By _____, Agent Date _____

By _____, Managing Director Date _____