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Wholly Owned by the  
 American Institute for Economic Research

## **PROFESSIONAL ASSET MANAGEMENT SERVICE**

### **Overview, Costs and Fees**

Our low-cost Professional Asset Management Service can be tailored to meet your needs and is designed to help reduce the day-to-day concerns of managing your assets yourself. It helps you because:

- Our discretionary management minimizes delay, a large factor in wealth erosion. Though we are not “market timers,” and our research shows that trying to time purchases and sales in the market is largely a futile effort, we will act promptly to invest and rebalance your assets.
- AIS’s experienced portfolio managers will monitor your portfolio and follow a sound investment strategy that is based upon our published recommendations and asset allocations. With your limited power of attorney and a brokerage account with Charles Schwab, TD Ameritrade or Fidelity Investments, we will manage your assets on your behalf. You will receive all transaction confirmations and monthly reports directly from the broker as well as detailed quarterly reports from us.
- Our Institutional arrangements with Charles Schwab, TD Ameritrade and Fidelity, provide the following trade commission schedules:

Custodian	Web Equity Trades		Web Mutual Fund Trades	
	Under Threshold <sup>1</sup>	Over Threshold	Under Threshold	Over Threshold
<b>Charles Schwab</b> <sup>2</sup> (\$1M threshold)	<1000 shares = \$19.95 + \$.015 per share after the first 1,000	\$8.95	0.10% (\$20 min/\$49.95 max)	
<b>TD Ameritrade</b> <sup>2</sup> (\$500k threshold)	<1,000 shares = \$16.99 + \$.01 per share after the first 1,000	\$9.99	\$31.00	\$24.00
<b>Fidelity</b> <sup>2,3</sup> (\$1M threshold)	<1,000 shares = \$12.95 + \$.015 per share after the first 1,000	\$7.95	\$20.00	

<sup>1</sup> Each custodian has a lower commission rates if you exceed their total household asset “threshold.”

<sup>2</sup> Each custodian applies the over threshold rate to accounts under the threshold if they elect to receive electronic account statements and trade confirmations in lieu of postal copies.

<sup>3</sup> Accounts transitioning from Fidelity’s retail services may qualify for a lower rate.

- PAM can accommodate taxable accounts, IRAs, pension plans, trusts and other types of accounts.
- The brokerage account will be your personal account and you will keep all rights to the account. To safeguard your funds, only you will have the right to remove any assets from the account
- We will work with your broker on your behalf and, if necessary, clarify issues or help resolve any administrative problems that might arise.
- At the end of each year we simplify your tax filing efforts by sending to you a detailed accounting of your transactions for the year.

- We are readily available during the workweek to discuss any questions or concerns that you have.
- Although we are not financial planners, we are well versed in estate planning, taxation, and other areas of personal finance. As your investment advisor, we will gladly work with your accountant or attorney. Also, we can alleviate your estate planning concerns by continuing as investment advisors to your heirs or trustee so that your survivors will continue to benefit from our low cost approach.
- As a client, you receive a complimentary subscription to our newsletter, *Investment Guide*.
- If you have internet access, you also will have convenient, 24-hour access to your account positions, balances, and transaction history, as well as real-time stock quotes through the broker's website.
- The minimum account size is \$100,000 although we recommend no less than \$150,000 to give you a better cost break. Two or more accounts may be combined for the purpose of calculating the minimum and the fee. Please see our fee schedule shown below.

### Professional Asset Management Fee Schedule

Our management fee is among the lowest in the industry. Like many advisors, we have a tiered, cumulative fee structure based on assets under management (AUM) where AUM is the combined value of all accounts you have with us. Our only source of management revenue is the fee we charge to you directly; we do not earn any commissions or other compensation on trades nor are we reimbursed by any third party.

<b>AIS Professional Asset Management Fee Tiers</b>		
Minimum Annual Fee is \$1,500		
<b>Tier</b>	<b>Applies to AUM</b>	<b>Annual Fee</b>
1	\$100,000 - \$250,000	0.80% of AUM or \$1,500, whichever is greater
2	\$250,001 - \$500,000	Tier 1 maximum fee plus 0.55% of AUM in Tier 2
3	\$500,001 - \$1,000,000	Tier 2 maximum fee plus 0.25% of AUM in Tier 3
4	\$1,000,001 - \$1,800,000	Tier 3 maximum fee plus 0.10% of AUM in Tier 4
5	\$1,800,001 - \$10,000,000	Flat 0.30% of total AUM
6	\$10,000,001 - \$20,000,000	Tier 5 maximum fee plus 0.25% of AUM in Tier 6
7	\$20,000,001 - \$150,000,000	Flat 0.275% of total AUM
8	Over \$150,000,000	Tier 7 maximum fee plus 0.15% of AUM in Tier 8

The actual fee is calculated and billed quarterly in arrears. For example, if you have \$600,000 in AUM, at the end of each calendar quarter you will be billed one quarter of the sum of: 0.80% of the first \$250,000 plus 0.55% of the next \$250,000 plus 0.25% of the last \$100,000. This is equivalent to 0.60% annually. The fee for various AUM (to the nearest dollar) is calculated below:

<b>Quarterly Fee Calculation for Various AUM</b>		
<b>AUM</b>	<b>Quarterly Fee</b>	<b>Annual Equivalent</b>
\$100,000	\$375	1.50%
200,000	400	0.80%
300,000	569	0.76%
400,000	706	0.71%
500,000	844	0.68%
600,000	906	0.60%
700,000	969	0.55%
800,000	1,031	0.52%
900,000	1,094	0.49%
1,000,000	1,156	0.46%
1,250,000	1,219	0.39%
1,500,000	1,281	0.34%
1,750,000	1,344	0.31%
2,000,000	1,500	0.30%