

# PCS American Funds F2 Share Program - Client Services Agreement

## I. DEFINITION OF INTERESTED PARTIES

**Account Owner(s) (PRINT):**

**Rep Number:**

**Investment Advisor Representative (PRINT):**

Account Owner agrees to open an American Funds F2 Account (“Account”) with Private Client Services LLC (“Advisor”) and engages Advisor from the effective date to manage the account for the compensation referenced in the fee schedule (Section VIII). Investment Advisor Representative (“IAR”) will provide services to Account Owner as detailed in this Client Services Agreement (“Agreement”). Capital Bank & Trust aka CB&T (“Custodian”) will provide trade execution, clearing, custodial and administrative services.

## II. ADVISORY SERVICES

**Account opening:** IAR and Advisor will initiate the steps necessary to open an Account ready to receive investment funds and/or transfers of securities. This Agreement will not take effect until IAR, Advisor and Custodian have accepted the Account.

**Suitability Assessment:** IAR will endeavor to obtain the necessary financial, demographic and identification information from Account Owner and assist in the completion of the risk tolerance questionnaire. IAR will remain available to discuss any changes in Account Owner’s financial circumstances, investment objectives, and risk tolerance. IAR will endeavor to contact the Account Owner at least annually to determine whether there have been any such changes. However, it is the Account Owner’s responsibility to notify the Advisor in writing of any changes or modifications.

**Investment Restrictions:** IAR will endeavor to collect investment guidelines and restrictions related to the account. Advisor will adhere to these guidelines and restrictions to the maximum extent possible. However, it is the Account Owner’s responsibility to ensure compliance with these restrictions. IAR will endeavor to contact the Account Owner at least annually to determine whether Account Owner wishes to impose or change any reasonable restrictions on the management of the Account. However, it is the Account Owner’s responsibility to notify the Advisor in writing of any changes or modifications.

**Account Transactions:** IAR will only direct transactions within the Account through instructions provided by the Account Owner. IAR shall relay transaction instructions to the Advisor. The Advisor shall direct such instruction to American Funds for execution.

**Receipts and Withdrawals:** Advisor and/or IAR will be available to receive Account Owner deposit and withdrawal instructions. Account Owner may withdraw money market assets on two (2) days’ notice to Advisor. Client understands that the sale of securities is subject to settlement requirements which will increase the minimum number of days necessary for disbursement.

**Account Review:** IAR will recommend an Asset Allocation Model prior to the account opening. After Account opening, IAR will make non-discretionary securities recommendations in light of the agreed upon Asset Allocation Model, existing market conditions, potential tax implications and the Account Owner’s unique financial circumstances. IAR will review the Account Asset Allocation Model or the current risk tolerance and investment objective at any time the Account Owner reasonably and/or contractually requests. If Account Owner does not re-quest the IAR to make such review, the IAR will review the Account on an annual basis.

## III. TRADE EXECUTION, CLEARING AND ADMINISTRATIVE SERVICES

Advisor will not act as the Custodian for Account Owner’s assets. Account Owner agrees to direct Advisor to custody assets with, and places trades through, CB&T as a condition for participation in the PCS Advisory Allocation Asset Program. American Funds will provide the following services:

**Administration:** Act as general administrator of the Account including: (i) calculation and collection of Account fees and (ii) processing of deposits and withdrawals within the Account.

**Execution:** Execute all purchase and sale orders directed to it by Advisor.

**Custody:** Maintain custody of all account assets and perform such custodial functions, including: (i) pricing of assets held in the Account; (ii) crediting of interest and dividends on account assets, (iii) crediting of principal on called or matured securities in the account, and (iv) any other custodial functions customarily performed with respect to securities brokerage accounts.

### III. TRADE EXECUTION, CLEARING AND ADMINISTRATIVE SERVICES (Continued)

**Account Statements:** Create and forward Monthly Account Statements for each month in which activity occurs in Account Owner's account. Securities are valued by an independent pricing service, where available.

**Clearance:** Provide clearing services of all executed purchases and sales directed to it.

**Confirmations:** Forward confirmations of each purchase and sale to Account Owner.

**Security Delivery:** Deliver securities held in the account when and if instructed, unless the account is requested for liquidation.

**Quarterly Reporting:** Provide quarterly information reports, including; (i) current asset allocation, (ii) portfolio and benchmark results, (iii) performance information, (iv) securities pricing, and (v) securities holdings data.

### IV. TRADING AUTHORIZATION

Account Owner authorizes the Advisor to purchase and sell securities, or other investments, by providing such orders on a **non-discretionary** basis to the IAR. Advisor's recommendations will be executed only upon Account Owner's consent. Advisor agrees to make recommendations in accordance with the Account Owner's investment objectives as communicated to the Advisor in writing from time to time. In all such purchases and sales, Advisor and CB&T are authorized to instructions of the Account Owner. Advisor is authorized to act for the Account Owner in the same manner, and with the same force and effect, as the Account Owner could do with respect to such purchases and sales, including effectuating tenders, exchanges, redemptions, or other similar actions with respect to securities held in the Account. This trading authorization shall remain in full force and effect until this Agreement is terminated in compliance with Section IX of this Agreement.

### V. ADVISORY FEES

Account Owner authorizes American Funds to deduct all applicable fees, including the Advisory Fee and Brokerage Expenses/Charges from Account Owner's Account and pay the Advisory Fee to Advisor. The applicable Advisory Fees are referenced in the Fee Schedule (Section VII). The Advisory Fee covers all fees for the services of the IAR, Advisor, and American Funds as explained in Sections II and III of this Agreement. However, the Advisory Fee does not cover: Investment Company Expenses (Section XII). The Advisory Fees are based on the total market value of assets held in the account. The fee rate is annualized and paid quarterly in arrears. Advisory fees are independent of the level of trading activity in the account. Fees may be higher than the commissions generated by a traditional brokerage account during periods of low portfolio turnover.

The first payment is due the first day of the quarter following the initial deposit of assets into the Account and will be assessed pro rata based on the number of days remaining until the end of the calendar quarter. Subsequent payments are assessed and due on the first day of each calendar quarter based on the value of the account assets as of the close of business on the last business day of the preceding quarter.

Cash balances in the Account are automatically invested in a sweep vehicle, which may be a money market fund or bank deposit product. Account Owner pays internal operating expenses, including any and all management fees of the underlying sweep vehicle. If there are insufficient funds within the sweep vehicle to cover the Advisory Fee, Account Owner hereby authorizes Advisor to execute sales of non-money market securities to pay the Advisory Fee.

### V. BROKERAGE EXPENSES/SEPARATE MAINTENANCE CHARGES

Brokerage charges may be applicable in the following cases: outgoing account transfers, overnight delivery, reorganization activities, returned checks, settlement extensions, certificate issuance, wired funds, qualified account custodial maintenance, qualified account termination, SEC/SIC/exchange fees, and limited partnership and private placement subscription, redemption, and registration. Brokerage charges are subject to change. Contact your IAR for the current fees.

### VII. FEE SCHEDULE

The Advisory Fee for the American Funds F2 Share program is a flat 0.50% of the assets held within the program, regardless of account size.

## VII. TERMINATION

This Agreement may be terminated by the Account Owner or the Advisor upon written notice to the other. If an Account is to be liquidated as the result of a termination notice, it is understood that the Advisor may take up to two (2) trading days to effect a requested liquidation. Proceeds will be payable to the Account Owner within (10) days of liquidation. Termination of this Agreement will not affect the liabilities or obligations of the parties arising from transactions initiated prior to termination. If for any reason the Account value falls below the required account minimum (including withdrawals by the Account Owner), the Advisor has the right to either (i) liquidate the account and remit proceeds, or (ii) move the assets within the Account to a commission-based brokerage account. As disclosed, fees are paid in arrears of services provided. Upon termination, any accrued fees not yet assessed will be deducted from the redemption of the account prior to disbursement.

## IX. OWNER REPRESENTATIONS

Account Owner is of legal age and has the authority and power to enter into this Agreement. If this Agreement is being signed on behalf of a corporation, partnership, trust, or other business or legal entity, Account Owner represents that applicable law and governing documents authorize and permit this Agreement. If this Agreement is entered into by a trustee or other fiduciary, including fiduciary trustees or other representatives of assets subject to ERISA, such trustee or other fiduciary represents and warrants that Account Owner's participation in the Account is permitted by the relevant governing instrument.

## X. OWNER RESPONSIBILITIES

Account Owner shall be solely responsible for the completeness and accuracy of the Account Owner's data and information furnished to Advisor and IAR. Account Owner must inform the Advisor in writing of changes in the Account Owner's financial goals, financial conditions, or circumstances that would impact time horizon, investment objective, risk tolerance, or the suitability of the current portfolio. Account Owner will notify the Advisor in writing of any specific restrictions imposed upon the account either by reason of the Account Owner's personal choice or by the governing documents of an account, such as trust agreement powers, partnership agreements, or corporate charter or by-law or applicable statute. Neither Advisor, nor the IAR, shall have any liability for Account Owner's failure to inform Advisor in a timely manner of any material change to the Account Owner's financial circumstances that might affect the manner in which the Account recommendations are provided. Account Owner agrees to furnish Advisor with such documents an Advisor reasonably requests including, but not limited to: (a) government issued identification to ascertain or verify the identity of the Account Owner, and (b) documents that verify the authority and/or empowerment to enter into this Agreement. Account Owner further agrees to notify Advisor in writing of any event that might affect the validity of this Agreement.

## XI. ADDITIONAL DISCLOSURE

**Legal Advice or Proceedings:** Account Owner understands that nothing in this Agreement, including the Trading Authorization, shall allow IAR to take action or render any advice involving legal action on behalf of Account Owner. Advisor will not advise or act on behalf of Account Owner in legal proceedings, including class actions or bankruptcies, involving securities purchased or held in the Account Owner's Account. Advisor is not responsible for tracking or researching potentially or actually relevant class action notices and proceedings. CB&T is responsible for sending all class action related communications.

**Advisory Fee:** Account Owner understands that the IAR and Advisor, and their agents shall be entitled to share in the Advisory Fee in payment for performance of their respective services.

**Differing Advice:** Account Owner understands that the IAR and Advisor and their affiliates may perform advisory and/or brokerage services for various Account Owners. IAR may give advice or take actions for other Account Owners that differ from the advice given or the timing or the nature of any action taken for Account Owner's Account. The IAR may, but is not obligated to, recommend for purchase or sale any security that the IAR, Advisor, or any of their affiliates may purchase or sell for their own accounts or the account of any other account owner.

**Personal Trading:** IAR may engage in personal trading of securities. Advisor has adopted a Code of Ethics which sets forth high ethical standards of business conduct. Personal securities transactions may be the same, similar transactions, or opposite in nature from Account Owner transactions, and may be effected at different times or prices. Advisor shall not have any obligation to effect similar transactions for Account Owner.

## XI. ADDITIONAL DISCLOSURE (continued)

**Standard of Care:** The Advisor's sole standard of care is to act with due care and diligence expected of a prudent person in like capacity, in similar circumstances and familiar with such matters. The Advisor and its employees shall not be liable for acts performed in good faith or for errors in judgment. Advisor is not responsible for losses arising from acts of a third party, such as broker-dealer or custodian, provided, in the case of broker-dealers, the Advisor uses reasonable care in selecting them. Advisor may rely on published reports, but is not responsible if the reports are inaccurate and the advisor reasonably relies upon such reports.

**Investment Company Expenses:** The American Funds F-2 share class program does not, by definition, assess 12b-1 fees.

**Inherent Risks:** Account Owner understands the inherent risks and volatility associated with securities, such as mutual funds, ETFs, and individually issued stocks and bonds and other securities. Account Owner understands that the Account is designed as a long-term investment vehicle and that withdrawal of assets may impair the achievement of Account Owner's investment objectives and change the risk level of the Account.

**No Guarantee:** Account Owner understands that there is no guarantee that Account Owner's investment objectives will be achieved. Account Owner also understands that past performance is not a guarantee of future results.

**Proxy Voting:** Advisor is precluded from, and Account Owner shall be responsible for: (a) directing the manner in which proxies solicited by issuers of securities Account Owner beneficially owns shall be voted, and (b) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, or other events pertaining to the securities in the Account. Account Owner authorizes and directs Advisor to instruct CB&T to forward to Account Owner copies of all proxies and shareholder communications relating to the Account.

**Minimum Balance:** Account Owner understands that the American Funds dictates the minimum balance requirement, but in most cases it is \$250 or \$1000. See prospectus for additional details. Account Owner further understands that failure to maintain the minimum balance can result in Termination as described in Section IX of this Agreement.

## XII. OTHER CONTRACT MATTERS

**Choice of Law:** This Agreement shall be governed by all applicable federal laws, except that the contractual terms and related remedies of this Agreement will be interpreted under the laws of the Commonwealth of Kentucky, without reference to the principles of conflict of laws, provided that there is no inconsistency with federal securities laws.

**Prohibition of Assignment:** This Agreement cannot be assigned or transferred, in any manner, by any party, without the written consent of all parties receiving or rendering services under this Agreement. This clause shall not affect the Advisor's right to amend this Agreement or to reassign the IAR of record on the Account.

**Integration:** This Agreement represents Account Owner's entire understanding with regard to all terms and conditions.

**Severability:** If any part of this Agreement is found to be invalid or unenforceable, it will not affect the validity or enforceability of the remainder of this Agreement.

**Amendments:** Advisor shall have the sole right to amend this Agreement by modifying or rescinding any of its existing provisions or by adding a new provision. Any such amendment shall be effective thirty (30) days after Advisor has notified the Account Owner in writing of any change or such later date as is established by Advisor. However, should the IAR terminate association with the Advisor, or otherwise be found to be acting outside conformance with this Agreement or internal policies and procedures, the Advisor may appoint another IAR within a thirty (30) day prior notice to the Account Owner. Account Owner may not amend this Agreement without the express written agreement of the Advisor.

**Privacy Policy:** None of the information or data that Account Owner provides to IAR, Advisor, or CB&T will be disclosed to any non-affiliated firm, person or entity without prior consent of Account Owner, unless such disclosure is required by law, rule or regulation. Account owner consents to the disclosure and distribution of information to persons, employees or entities affiliated or related to Advisor and necessary for the completion of this Agreement, specifically including Private Client Services LLC.

## XII. OTHER CONTRACT MATTERS (continued)

**Suitability:** I have considered the following factors in determining that a fee-based account is best for me:

- My past and anticipated trading activity;
- Past and anticipated use of products and services available in the Account;
- The value and type of assets eligible for investment in the Account;
- The costs and potential benefits of advisory services
- Financial goals, investment objectives, risk tolerance and time horizon;
- Additional services provided by the IAR;
- Personal preferences concerning available payment alternatives;
- Advantage or disadvantage of paying separately for each trade executed and each service utilized;
- The tax consequence of liquidating current assets for deposit to the Account;
- The changing nature of all factors noted above and the need to periodically reevaluate the use of a fee based account.

## XIII. NOTICES

All legal written notices by the Account Owner shall be sent to the Advisor's Address by hand, first class mail, or by certified mail (return receipt requested). Advisor Address:

Private Client Services, LLC  
Attention: Compliance Department  
2225 Lexington Rd  
Louisville, KY 40206

All legal notices by the Advisor shall be sent to the Account Owner's address of record by hand, first class mail, or by certified mail (return receipt requested).

## XIV. ARBITRATION

### **DISCLOSURES:**

**This agreement contains a pre-dispute arbitration clause. By signing an arbitration agreement the parties agree as follows:**

**All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.**

**Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**

**The ability of the parties to obtain documents, witness statements, and other discovery is generally more limited in arbitration than in court proceedings.**

**The arbitrators do not have to explain the reason(s) for their award unless, in an eligible case, a joint request for an explained decision has been submitted by all parties to the panel at least 20 days prior to the first scheduled hearing date.**

**The panel of arbitrators may include a minority of arbitrators who were or are affiliated with the securities industry.**

**The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.**

**The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.**

**XIV. ARBITRATION (continued)****AGREEMENT:**

Any controversy between you and us shall be submitted to arbitration before the financial industry regulatory authority. No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until:

- (i) the class certification is denied;
- (ii) the class is decertified; or
- (iii) the customer is excluded from the class by the court.

Such forbearance to enforce an agreement to arbitrate shall not constitute a waiver of any rights under this agreement except to the extent stated herein. The laws of the Commonwealth of Kentucky shall govern.

**XV. INDEMNIFICATION**

Account Owner will indemnify and hold harmless Private Client Services LLC, IAR, and their respective members, partners, officers, directors, agents, employees, control persons, and affiliates harmless, to the maximum extent permitted by applicable laws, from all loss, cost, indebtedness, liability, and expense (including without limitation, court costs and attorneys' fees and expenses) arising out of: (i) any misrepresentation or omission of a material fact by Account Owner, or (ii) Account Owner's failure to perform Account Owner's Responsibilities (Section XII). The indemnification provided here shall survive the Termination of this Agreement. For accounts with assets subject to ERISA, the Account Owner or trustees specifically agree to indemnify and hold harmless the IAR and Advisor from the risk of liability associated with breach of fiduciary duty by a fiduciary other than the IAR or Advisor as long as IAR or Advisor are not found to have breached any individual fiduciary duty owed.

**XVI. RECEIPT OF REQUIRED DOCUMENTATION**

**Account Owner acknowledges that the IAR has explained, and Account Owner understands the following risks and/or fees that may apply to the Account: (CHECK ALL THAT APPLY)**

<input type="checkbox"/> Calculation and Billing of Advisory Fees	<input type="checkbox"/> Market Volatility and Fluctuation of Asset Values
<input type="checkbox"/> Maintenance, Asset Transfer and Termination Fees	<input type="checkbox"/> Fluctuation of Interest Rates and Yields

**Account Owner has received the following documents and disclosures: (CHECK ALL THAT APPLY)**

<input type="checkbox"/> Private Client Services, LLC – SEC Form ADV Part II (Firm Brochure)
<input type="checkbox"/> Private Client Services, LLC – SEC Form ADV Part II Appendix 1 (Wrap Fee Program Brochure)
<input type="checkbox"/> Private Client Services, LLC – SEC Form ADV Part II-B (Brochure Supplement – Advisor Biography)

**The following disclosures are available to view and print on our website. Please visit [www.pcsbd.net/disclosures](http://www.pcsbd.net/disclosures) to view these and other important information related to your account.**

<input type="checkbox"/> Private Client Services, LLC – Privacy Policy
<input type="checkbox"/> Private Client Services, LLC – Business Continuity Plan

## **XVII. SIGNATURES**

Please review all information for accuracy. By signing below, I represent that the information provided is accurate to the best of my knowledge. The documentation used to verify my identity is true and accurate. My signature represents that I agree to the terms and conditions of this agreement in its entirety. I will promptly notify my registered representative in writing if there is any material change in the information I have provided and may update this information no less than every three (3) years.

I ACKNOWLEDGE THAT THIS AGREEMENT CONTAINS A PRE-DISPUTE ARBITRATION CLAUSE IN SECTION XV OF THIS PCS ADVISORY ALLOCATION ACCOUNT AGREEMENT.

Primary Account Owner Name (PRINT)	Primary Account Owner Signature	Date
Joint Account Owner Name (PRINT)	Joint Account Owner Signature	Date
<b>Private Client Services Use Only</b>		
Investment Advisor Representative Name (PRINT)	Investment Advisor Representative Signature	Date
PCS Managing Principal Name (PRINT)	PCS Managing Principal Signature	Date
PCS RIA Principal Name (PRINT)	PCS RIA Principal Signature	Date