



Fee Calculation Summary

Wealth Management

First and foremost, we are a financial planning firm and as such our Wealth Management clients seek our ongoing advice on a variety of financial issues like cash flow and debt management, risk management, retirement planning, tax planning, investments, estate and legacy planning and not just asset allocation and portfolio design. Our fee was designed to reflect this and is based entirely on a calculation of your modified net worth and not the investment assets we may manage for you.

We define modified net worth as **Total Modified Assets - Total Modified Liabilities = Modified Net Worth** and includes:

Assets	Liabilities
Cash Accounts *Excludes day-to-day accounts & auto values	Personal Debt - student loans, personal loans *Excludes credit card and auto loans
Cash Value Insurance Policies	Investment or Business Loans
Investments & Investment Accounts	Mortgages
Real Estate - personal & investment	
Business Interests	
Trusts & Collectibles	

Our base Wealth Management fee is \$3,750, which includes modified net worth up to \$750,000. Once your modified net worth exceeds \$750,000 then we will charge an additional:

- .75% or (.0075) on the difference up to \$2,000,000 and
- .60% or (.0060) on any modified net worth in excess of \$2,000,000

Initial fees are calculated and agreed upon in the initial client engagement agreement and reassessed annually on a pre-determined date. The value of your modified net worth is

rounded down to the nearest \$10,000 for the calculation of fees.

Sample Fee Calculations:

- Calculated Modified Net Worth \$615,000. Rounded down to nearest \$10,000 = \$610,000 for a total planning fee of \$3750.
- Calculated Modified Net Worth \$1,387,000. Rounded down to nearest \$10,000 = \$1,380,000 for a total planning fee of \$8,475. *Base planning fee \$3750 plus \$4,725 (((\$1,380,000 - \$750,000) x .0075)).*
- Calculated Modified Net Worth \$3,113,000. Rounded down to nearest \$10,000 = \$3,110,000 for a total planning fee of \$19,785. *Base planning fee \$3750 plus \$9375 plus \$6660 ((2,000,000 - \$750,000) x .0075)) plus (((\$3,110,000 - \$2,000,000) x .0060)).*

If you are looking for stand-alone investment management services without the value add of comprehensive wealth management the fees we charge may be greater than industry averages for the investment portfolio values we directly manage for you, as our fee is assessed upon your modified net worth. You may be able to find investment management services for less.

Our Wealth Management fee is an annual fixed fee based on the calculation of your modified net worth at the inception of the agreement. Wealth Management fees are payable quarterly, in advance. The amount of the quarterly fee is based on four full quarters of service. The initial fee is due and payable upon signing your engagement agreement. You may pay By Design Wealth Management fee by check, credit card, or have the fee deducted from your investment account, if applicable. By Design Wealth Management has arranged with Shareholders Service Group to deduct its advisory fee directly from client's account(s) held at that custodian. Clients can authorize the automatic debiting of the firm's fees from their investment account in their advisory agreement. The remaining balance is billed quarterly, paid in advance. The annual fee for subsequent years will be updated annually during the first week of September and billed quarterly, in advance.

Clients may terminate their contracts without penalty within five business days of signing the client engagement agreement.