



## Client Agreement

Investor agrees to use the services of Advisor in an investment program using the custodian/platform designated in the Account Information. Investor authorizes Advisor to effect investments in accordance with Advisor's Buy/Sell indicators. Investor recognizes that Advisor will implement investments on a best-efforts basis, subject to the procedures and limitations established by the custodian/platform. Hermes assumes no liability or responsibility for policies and procedures of custodian/platform, including denied or delayed exchanges, for reasons out of its control. Investor recognizes that there is no assurance as to the accuracy of the Advisor's indicators and that any market losses resulting from the use of such indicators are normal market risks and the risks of the Investor. Investor agrees not to make or permit any exchange in their account contradictory to Hermes' positions. Any such act will relieve Hermes of any liability.

**Limited Power of Attorney:** This authorization includes the right of Advisor to make exchanges without notice to Investor, and Investor hereby appoints Advisor as his true and lawful limited Attorney-in-Fact to have complete discretionary authority over such investment exchanges. Upon such exchange, a transfer fee may be charged by the custodian, which will be deducted from the account.

**Management fees:** Investor shall pay Advisor for services rendered pursuant to this agreement calculated in accordance with the schedule below. Fees shall be payable quarterly in advance upon signing this Agreement, for additional amounts when deposited. Multiple contracts in the same ownership may be combined to take advantage of breakpoint fee reductions. Fees are paid in advance by check or liquidation from account at the option of the client. There may be additional fees imposed by the custodian, and these fees will effect performance. Hermes Econometrics does not participate in any additional fees, other than the advisory fee.

Fees will be refunded in full if termination agreement is requested within five business days of contract acceptance. Accounts will be managed for the period paid. Comparable services may be available from other sources for higher or lower fees. The fee schedule below will apply to the balance of the contract period.

Fee schedule:	Amount Invested	Annual Fee	Billing period
	\$25,000 - \$40,000	2.40%	Semi-annually
	\$40,000 - \$100,000	2.40%	Quarterly
	\$100,000-\$500,000	2.00%	Quarterly
	\$500,000 - \$999,999	1.50%	Quarterly
	\$1,000,000- \$9,999,999	1.00%	Quarterly
	Over \$10,000,000	0.50%	Quarterly

Advisor reserves the right to make exceptions to the account minimums. Unless otherwise precluded by state statute, this Agreement will remain in effect until canceled in writing either by Advisor or Investor. Unless the Advisory fee is received within 15 days of the anniversary date, the Agreement will automatically cancel. Either party may terminate this Agreement by giving written notice to the other at any time during the term of this Agreement.

**Disputes:** This agreement is accepted in, and shall be governed by and construed in accordance with the laws of the State of California. Any and all disputes to this Agreement or its breach shall be settled by arbitration, by a single arbitrator, in San Francisco, California, in accordance with the then-current rules of the American Arbitration Association ("AAA"), and judgment upon the award entered by the arbitrator may be entered in any Court having jurisdiction hereof. Costs of arbitration, including reasonable attorney's fees incurred in arbitration, as determined by the arbitrator, together with any reasonable attorney's fees incurred by prevailing Party in Court enforcement of the arbitration award after it is rendered by the arbitrator, must be paid to the prevailing Party by the Party designated by the Arbitrator or Court. Said arbitration shall be conducted in the English language and the award rendered in U.S. dollars. Service of the Petition to Confirm Arbitration and written notice of the time and place of hearing on the Petition to Confirm the Award of the Arbitrator shall be made in the manner provided herein for all notice. Such service shall be complete on personal delivery or the deposit of the Petition and notice in the US mail.

## Account Information

For accounts in the custody of TD Ameritrade Institutional, please forward a copy of a TD Ameritrade Institutional new account form.

Account in the same family may be combined for a discount in fees. Advisor may participate in the selection of an investment program in conjunction with registered representative. No assignment of this contract shall be made without prior written consent of the investor. Hermes reserves the right to refuse a contract with any investor for any reason.

Account Registration: \_\_\_\_\_

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

City/State/Zip: \_\_\_\_\_

Tax ID: \_\_\_\_\_ Date of birth: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

### Indicate type of account:

Individual Joint Trust IRA IRA Rollover Roth IRA UTMA Coverdell Other \_\_\_\_\_

### The following risk tolerance applies to me (us)

Account Investment Objective:  Income  Growth  Total Return

Account Risk Questionnaire:  Conservative  Moderate  Aggressive

**Acknowledgements:** I/we give authorization to Advisor to make exchanges via telephone, fax or Internet. Hermes Econometrics is our third party investment advisor and is herein granted authorization to obtain any and all information on the accounts above or to request payment of management fees. I/we have received a copy of the Advisory Disclosure and Compliance Statement, pursuant to SEC Rule 204-3, which includes disclosures regarding Hermes compensation arrangement with the person or firm who solicited or referred me/us to Hermes Econometrics. I/we have read and agree to abide by both sides of this agreement.

\_\_\_\_\_  
Investor signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joint investor signature

\_\_\_\_\_  
Date

Accepted by Hermes econometrics:

By: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

**Hermes econometrics**  
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## **Hermes ECONOMETRICS**

### **Advisory Disclosure and Compliance Statement**

This Statement is delivered pursuant to SEC Rule 204-3 and contains the information on SEC Form ADV Part II. Please detach and leave with client.

#### **Services offered**

Hermes Econometrics serves individual and corporate investors, pension and profit sharing plans, trusts, qualified ERISA plans, and institutional investors.. These services are offered through NASD Registered Representatives, having a minimum Series 6 license, or an Investment Advisor Representative. These services are also offered directly to investors.

Hermes Econometrics specifically provides risk management methods using statistical and technical analysis, charting and econometrics. A data retrieval service is primarily used, but financial newspapers and other research services may be relied upon occasionally. Our exchanges may be implemented as often as one day or as infrequently as annually. Statistical methods will be employed.

The client, may upon consulting with his/her representative, designate specific investments. Hermes Econometrics does not have custody of the client's funds or securities. Hermes does not have the authority to determine, without obtaining specific investor consent the broker/dealer to be used, or the commission rates paid. Hermes may recommend a fund, but will not share in the sales charges or any other charges imposed by the custodian.. Hermes Econometrics does not provide financial planning services, charge hourly or fixed fees or commissions.

Hermes Econometrics does not primarily provide investment supervisory services, but does occasionally provide investment advice through consultation with an investor directly. Hermes does not usually recommend representatives to clients, but may recommend a representative based on licensing and location.

Hermes Econometrics resolves to set up client accounts as soon as practical. However, due to circumstances beyond the control of Hermes (including such factors as incomplete paperwork, etc), accounts may take weeks to establish. If a signal is called during initial processing, a client's funds may or may not be positioned, and possible losses may occur for which Hermes assumes no responsibility.

Certain personnel positions at Hermes require minimum business experience, investment experience, minimum education level and a proficiency in English.

**Mercury Securities, LLC** is an FINRA broker-dealer, and is affiliated with Hermes Econometrics. Mercury Securities effects transactions for clients and may receive compensation. Clients of Hermes are not required to be clients of Mercury and visa versa. Hermes and its personnel may on occasion hold or purchase the same mutual funds its clients own, but such purchases do not affect prices to clients and consequently no conflict of interest is believed to exist as purchases are calculated equally at the end of the market session at NAV.

#### **Marketing Disclosures**

Hermes Econometrics enters into Broker-Dealer agreements with broker-dealers and investment advisors under terms customary for such arrangements, to provide investment advice and asset allocation on behalf of clients. Hermes Econometrics may share up to 50% of the management fee with the broker-dealer or investment advisor. The Custodian/Platform may impose advisory and management charges and sales charges. Hermes does not share in any fees other than our advisory fee.

**Solicitor's Disclosure Statement**

To: Client(s)

You are being provided this disclosure statement as required by Rule 206(4)-3 of the Investment Advisers Act of 1940. A copy of this statement will be retained by the Investment Advisor as required by Rule 204-2(a)(15).

Solicitor (Investment Advisor Representative): \_\_\_\_\_

Solicitor's Broker/Dealer or  
Registered Investment Advisor \_\_\_\_\_  
Please print

Investment Advisor: Hermes Econometrics

The Solicitor is not related to the Investment Advisor in any way other than to solicit clients for the management services provided by the Investment Advisor.

The Solicitor is affiliated to the Investment Advisor that holds it's Series 65 license

The Solicitor will be compensated for solicitation services by the Investment Advisor. The Investment Advisor will pay the Solicitor's broker/dealer up to 50% of the management fee received by the Investment Advisor. There may be other fees associated with the investment that Registrant does not participate in.

Other fees to the client associated with the Investment Advisor obtaining the account are (if any):  
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I (we) have read, understand and acknowledge the above disclosure.

Client signature	Date	Print name
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Client signature	Date	Print name
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Investment Advisor Representative	Date
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