

Alternatives

Non-traded securities, such as REITs and BDCs, where the advisor is simply looking to consolidate positions in accounts under AEWM for reporting purposes would leverage the Alternatives sleeve. The agent was likely paid a commission up front and should not be charging ongoing fees for this account. Alternative investments need to be held in a separate account outside of accounts with any additional allocations/strategies.

Key Features:

- Transaction-based pricing
- Client cost = \$30/year + custodial fees (*i.e., transaction, re-registration, transfer, annual AI fee, etc.*)
 - \$250/year, per position, alternative investment fee (*if applicable*)
- Separate custodial account is required

Fee Addendum:

The example below is the best practice for identifying Alternative accounts on the AEWM Fee Addendum:

FOR ANY SPECIFIC MODEL/SLEEVE/ACCOUNT FEES, PLEASE DESIGNATE BELOW:
(example: models with an upcharge, Alternatives, reporting only accounts)

Regardless of whether wrap fee pricing was selected on the Client Agreement, accounts marked as transactional on the table below will be billed on a transactional basis (this means that brokerage commissions and/or transaction fees will be separately charged by the custodian per transaction and charged directly to Client by the custodian). Transactional pricing is set by the custodian and may be changed pursuant to the custodian's policies.

Account	Designation	IAR Fee + Platform Fee	Model Manager Fee	Total Advisory Fee	Transactional (yes or no)
	Alternatives	\$30/yr	0	\$30/yr	Yes

NOTE: In this example, the advisor is not drawing an annual fee from this Alternative sleeve. The charge reflected is simply the platform cost that will be charged to the client for reporting purposes.

If the Alternative account is not specifically indicated on the fee addendum, AEWM will deduct the reporting only fee from the advisors compensation until an updated fee until addendum is received.

Additional Information:

Advisors must establish a "bill-to" account via the AEWM Authorization to Debit Advisory Fees from a Single Account Form. This form is available via email request to support@ae-wm.com.

The Fee Addendum does not constitute trade instructions and will not drive the allocation or labeling of these sleeves. Advisors will need to submit cases through the AEWM Platform or via a mass allocation spreadsheet to ensure accounts are set up according to the client's wishes.

Billing Statement:

The example below represents how an Alternatives account would reflect on the advisor's monthly billing statement:

Rep: Test Rep		Rep No: Sample		Broker/Dealer: Sample					
Billing Period: Sample									
Client Name	Mgmt Style	Custodian	Acct #	Billed Value	Days in Cycle	Fee Schedule	RIA	RIA Adj	RIA Total
Test Client 12	Alternative	Fidelity	676-xxxxxx	\$16,362.56	31/365	\$30.00	\$2.50	(\$2.50)	\$0.00
Test Client 12	AEWM Inst'l Alpha Income & Growth	Fidelity	676-xxxxxx_Income	\$91,926.44	31/365	F140	\$58.56	\$0.00	\$58.56
Client Total (Test Client 12):				\$108,289.00			\$61.06	(\$2.50)	\$58.56