

Managed Alternatives

Non-traded securities, such as REITs and BDCs, where the advisor would like to collect a management fee would fall under the Managed Alternatives account. To qualify for this sleeve, these securities must have been sold without a front-end sales charge and instead were subject to an ongoing fee for the account.

Key Features:

- Transaction-based pricing
- Client cost = Advisor's annual fee + custodial fees (*i.e., transaction, re-registration, transfer, annual AI fee, etc.*)
 - \$250/year per position alternative investment fee (*if applicable*)
- Advisor cost = \$100/year platform fee

Fee Addendum:

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

Unless otherwise specified in the schedule below, the fee for all household accounts will be	(REG) 1.5
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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)
	Managed Alternatives	1.0	0	1.0	Yes

NOTE: In this example, the advisor's fee is represented as 1.0%. Custodial fees are not reflected.

If the Managed Alternative account is not specifically indicated on the fee addendum, AEWM will bill according to the overall household fee as indicated in blue above.

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.

AEWM will begin billing once the allocations have been made. All accounts are billed monthly in arrears based on the average daily balance.

Billing Statement:

The example below represents how a Managed 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 6	Managed Alternatives	Fidelity	676-xxxxxx	\$101,975.31	31/365	F100	\$86.61	(\$8.33)	\$78.28
Client Total (Test Client 6):				\$101,975.31			\$86.61	(\$8.33)	\$78.28