



MEMBER SIPC/FINRA/REG'D MSRB

Institutional Custodial Services Exclusively for  
Independent Registered Investment Advisors

## The SSG Separately Managed Accounts Program Powered by **ENVESTNET**

Shareholders Service Group helps advisors manage their assets by teaming up with best of breed, industry leading solutions. We are pleased to announce our partnership with Envestnet.

Envestnet, [www.envestnet.com](http://www.envestnet.com), is an integrated, web-based platform which provides access to leading investment managers, unparalleled practice management tools and comprehensive portfolio management and reporting options. It will empower you to create a customized investment experience for your clients. The extensive features include:

- Access to 500 leading institutional asset managers at reduced minimum investments covering all investment options:
  - ◊ Separately managed accounts
  - ◊ Multi-manager accounts
  - ◊ Mutual funds
  - ◊ Alternative investments
  - ◊ Sustainable solutions
  - ◊ Unified managed accounts
  - ◊ Mutual fund solutions
  - ◊ ETF wrap portfolios
  - ◊ Fixed income solutions
  - ◊ Third-party strategists portfolios
- Due diligence and research on hundreds of SMA portfolios, mutual fund wrap, and ETF strategies
- Web-based investment and technology platform for RIAs
- Customized proposal generation system for use with clients and prospects
- Account reconciliation and quarterly performance reports

In addition to having access to the Envestnet platform, your client account remains at SSG via NetX360. We have designed specific applications to make the process easy for you to enroll your clients.

- Generate a **customized proposal** (formal presentation in PDF format) for a client or prospect. Included in the proposal is a **“SIS”** (Statement of Investment Selection), which serves as the Investment Contract to authorize the investments and fees.
- The client also fills out a **special SSG/Envestnet application** as well as other applicable SSG forms (i.e. adoption agreement, transfer, etc.) necessary to establish the account
- Clients would see and pay two fees which would be debited from their SSG account:
  - ◊ Program Fee (Envestnet and Manager) – 60 to 90 bps depending on the product, PLUS the advisor’s fee (your fee), set by each RIA firm.
  - ◊ SSG Standard Brokerage (clients see and are assessed our transaction fee on each trade) **OR** the SSG Fee Choice option (asset based pricing in lieu of transaction fees at a rate of 30 bps annually for Envestnet accounts).

Here are the steps necessary to begin a relationship with Envestnet and SSG.

- You must complete the SSG **“Envestnet RIA Access Agreement”**. We have attached a copy of the agreement. Once received, SSG will have Envestnet send their **“Envestnet Contract”** to you. You must complete their contract in order to utilize the platform. **There is no cost to advisor to sign up.**
- Once the contract is returned to Envestnet (with your firms information and firm logo), SSG will then provide your firm with a user ID and password. Your firm will have full access to the platform, including proposals, research, performance data, and other resources.
- In conjunction with Envestnet, SSG will conduct Webinars & training sessions to help you navigate the system. On an ongoing basis Envestnet Regional Consultants (listed under the Resources tab on the Envestnet platform) are available to help advisors.

If you have questions about the program please contact us.



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## Investnet Program— RIA Access Agreement

This Agreement is entered into by and between \_\_\_\_\_ a registered investment advisor (“Advisor”) located in \_\_\_\_\_ and Shareholders Service Group, Inc., (“SSG”), a registered broker-dealer and California corporation located in San Diego, CA, the “Parties.”

### Representations

Whereas, the Advisor has opened a Master Account and executed the Master Account Agreement with SSG; and

Whereas, SSG provides securities custodial services and brokerage execution services to Advisor and its clients; and

Whereas, Investnet (“Program Sponsor”) offers a turn-key asset management program with investment supervisory and investment management services (the “Program”) to registered investment advisors and their clients;

and

Whereas, Advisor wishes to access investment management services offered by Program Sponsor for its clients; and

Whereas, Advisor accepts responsibilities for supervision of its clients’ assets as defined herein;

Now therefore, in consideration of the terms and conditions hereinafter set forth, the Parties intending to be legally bound agree to this Agreement subject to the terms and conditions herein:

**Advisor’s Responsibilities and Representations.** Advisor agrees to assume certain responsibilities over the accounts in the Program. These responsibilities, in accordance with the Investment Adviser’s Act of 1940, as amended (hereinafter “IA, 40”), and all other applicable federal and state securities laws, including but not limited to Rule 3(a)-4 of the Investment Company Act of 1940, as amended (the “Investment Company Act”, hereinafter “Rule 3(a)-4 delegations”), include:

- A. Advisor has, or will have prior to establishing a client account in the Program, each Client’s written advisory agreement appointing the Advisor as Investment Advisor with respect to client’s account(s). Advisor has obtained the licenses and registrations necessary to offer each of the respective products.
- B. Obtaining information and documents sufficient to establish the identity and financial condition of each client; establishing investment goals and objectives, investment limitations, any reasonable restrictions on particular security selections, and risk tolerance, of each client; determining that the use of a particular Investment Manager is appropriate and suitable; and delivering to client, and causing client to complete, the documentation necessary to open and maintain accounts.
- C. Assisting clients with investment objectives and providing an investment proposal, as applicable.
- D. Making or assisting in the selection of investment managers suitable for each client’s financial circumstances. Advisor will only refer to a Manager in the Program those persons that Advisor reasonably believes it can refer in a manner consistent with its fiduciary duty owed to the client, and Advisor will obtain and retain information necessary for the determination that using a particular investment option is appropriate and suitable for the client. SSG and Program Sponsor shall be entitled to rely on any such information received from Advisor and on the suitability determination made by Advisor.
- E. Monitoring and reviewing SSG’s services, Program Sponsor’s services, and the money manager’s activities, and supplying client with periodic account performance reviews.
- F. Consulting with clients and reviewing at least annually the client’s investment objectives to determine if the client’s financial situation has changed; and making any material changes or reasonable restrictions the client wishes to impose or modify on the account.
- G. Delivering to clients, no later than the time the client signs the account agreement for the Program, all copies of Form ADV Part II and Schedule H and updates as required.

- H. Adhering to the advisory rules of the IA, 40 and to the rules and regulations of the respective states, SEC and other regulatory bodies as applicable.
- I. Explaining the amount, nature, purpose and method of calculation of fees charged in the Program to the client by the Advisor, the investment manager, Program Sponsor, and SSG.
- J. SSG and/or Program Sponsor are permitted to charge the respective client account(s) for the relevant custody and brokerage fees or transaction fees, and investment management fees. In the event that the available funds in the client's account(s) are not adequate to cover the applicable fees, the Advisor is responsible for arranging for client to provide the necessary additional funds. SSG and Program Sponsor reserve the right to recover fees which are due and owing from client account(s), including through the liquidation of client assets.
- K. Advisor agrees that it is responsible for providing computers, software and other equipment and facilities necessary for its use of the Program.
- L. For purposes of complying with the proxy voting requirements applicable to investment advisors, advisor agrees that neither SSG nor Program Sponsor will have any obligation to vote client securities, except as may be specifically directed by the Advisor or the client.

**Investment Managers.** The Program shall provide access to Investment Managers which have been approved according to the standards of Program Sponsor's due diligence process. In addition to the approved Investment Managers, the Program may make available certain other Contracted Investment Managers which are not recommended in the Program and for which Program Sponsor does not act as fiduciary or as investment advisor. With respect to such Investment Managers, Advisor shall be solely responsible for providing investment advice to its clients regarding the merit or suitability for any client of such Investment Managers participating in the Program. Program fees and administrative fees shall be charged to the client account, as disclosed in the client account agreement.

**Right of Refusal.** Advisor agrees that SSG or Program Sponsor, in their sole discretion, may reject any client account for any reason.

**Use of Information and Non-disclosure.** The Parties each agree that with respect to any confidential information, non-public personal information about a client or documents that are furnished by the other party hereto in connection with the Program, shall be kept in strict confidence and shall not be used, directly or indirectly, for any purpose other than that for which it was furnished. Such confidential information shall include, without limitation, any information contained on a client's account application, Program Agreements or other forms and all non-public personal information about a client that a party receives from the other party. The Parties agree that such information shall be handled according to the Privacy Policy provided to the client. All books, records, information, client data, trade secrets, proprietary information, reports, data packages, client lists, marketing plans, pricing formulas, distribution methods, and any technical information such as software, documentation, test results, designs, processes, specifications, instructions, know-how, or formulas, pertaining to the business of either party that are exchanged, sent or received in connection with the services provided by the Parties shall be kept confidential and shall not be voluntarily disclosed to any other person, except (a) if such information is already publicly available; (b) as may be required solely for the purpose of carrying out a party's duties and responsibilities to the other parties; (c) as required by order or demand of a court or other governmental or regulatory body or as otherwise required by law; (d) as may be required to be disclosed to a party's attorneys, accountants, regulatory examiners or insurers for legitimate business purposes; or (e) with the express prior written permission of the other party.

**Data Privacy.** The Parties represent that they each have adopted and implemented procedures to safeguard client information, data and records, that are reasonably designed to: (a) ensure the security and confidentiality of client records and information; (b) protect against threats or hazards to the security or integrity of client records and information; (c) protect against unauthorized access to or use of client records or information that could result in substantial harm or inconvenience to any client; (d) protect

against unauthorized disclosure of non-public personal information to unaffiliated third Parties; and (e) otherwise ensure compliance with any other federal and state privacy laws or regulations that may be applicable to the access, transfer or storage of client data and information.

**Disclaimer of Warranty.** THE PROGRAM IS PROVIDED "AS IS" WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND. SSG AND Program Sponsor DO NOT MAKE AND HEREBY DISCLAIM ANY WARRANTIES, REPRESENTATIONS OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE

**Indemnification.** Advisor agrees to indemnify and hold harmless SSG, and Program Sponsor and each of their directors, officers, employees and agents, from and against all expenses or liabilities arising out of this agreement; including any misuse, misappropriation and/or unauthorized use of any password or workstation identification supplied to the Advisor; or arising out of or in connection with or based upon any inaccuracy of any representation made by the Advisor; or SSG or Program Sponsor acting on any instructions given by the Advisor or its client; or any dispute between the Advisor and any client concerning fees, investment selections, trading instructions, investment strategies, financial advice, investment advice, tax or legal advice; or breach of any material provision of this agreement; or any of the services including the Program, provided to the Advisor and its clients; other than with respect to any expense or liability arising solely out of or based solely upon the gross negligence, reckless disregard or bad faith of SSG or Program Sponsor in performing services hereunder or breach of any material provision of this agreement. Neither SSG nor Program Sponsor shall be liable to the Advisor or its clients or any other person except for losses resulting from gross negligence, reckless disregard of their duties or bad faith. Advisor agrees that any indemnity or release of liability provided hereunder shall survive termination.

If any party asserts a claim which entitles it to indemnification under this Section, such indemnified party shall promptly notify the indemnifying party and the indemnifying party shall be entitled at its expense to participate in the defense of any claim, lawsuit, or proceeding. The Parties agree that no claim asserted by a third party for which indemnification from an indemnifying party is sought shall be settled without first obtaining the written consent of the indemnifying party, which consent shall not be unreasonably withheld.

**Nature of Agreement.** The Parties acknowledge that execution of this Agreement constitutes an arm's length transaction. The Parties are in no way related to, or affiliated with, each other and are not responsible for, and can neither affect nor influence the decisions/actions of one another outside the confines of this Agreement. No provision of this Agreement shall be interpreted to convey any affiliation, association, supervision, endorsement, or partnership between the Parties.

**Independent Entities.** Each party is independent of the other Parties in providing services to its clients and is not an agent, affiliate, representative, advisor or employee of the other Parties and is not in privity of contract with clients with respect to services furnished by the other parties. No Party herein supervises or is supervised by the other Parties. No Party shall utilize the name of the other Parties in any way without the other's prior written consent, nor shall any party employ the other's name in such a manner as to create the impression that the relationship between them is anything other than as indicated herein.

**Entire Agreement and Severability.** This Agreement constitutes the entire agreement of the Parties. If any portion thereof is determined to be unenforceable that portion shall be severed from the agreement and the remaining provisions, and the rights and responsibilities created therein, shall remain fully enforceable and legally binding on the Parties.

**Binding Effect.** This Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the Parties hereto and their respective successors and assigns.

**Governing Law.** The laws of the State of California shall govern the interpretation of this Agreement, without regard to conflicts of law provisions.

**Force Majeure.** No party to this agreement shall be liable for any loss caused directly or indirectly by government restrictions, exchange or market rulings, and suspension of trading, war, strikes or other conditions beyond its control commonly known as "Acts of God".

Signature of Advisor \_\_\_\_\_

Date \_\_\_\_\_

Name \_\_\_\_\_

SSG RIA ID # \_\_\_\_\_

Accepted: Shareholders Service Group, Inc

By \_\_\_\_\_

Name \_\_\_\_\_

Date \_\_\_\_\_