

HEADWATER INVESTMENT CONSULTING, INC.
BILLING POLICY & FEE SCHEDULE

Fees and Compensation

Headwater Investments (“Firm”) is a fee-only investment advisory firm paid on a percentage of Client discretionary assets managed. No supervised person associated with the Firm receives or accepts any compensation for the sale of securities or investment products.

About our Fees and Costs

The Firm charges a quarterly fee, in arrears. Fees are paid directly to us from the account by the custodian. As such, there are never any pre-paid fees which would be subject to refund.

New accounts are pro-rated from the time we begin charging a fee to the Client. Fees for partial quarters at the commencement or termination of this Agreement may be billed on a pro-rated basis contingent on the number of days the account was open during the quarter. Additionally, all service agreements may be terminated at any time.

Fee Calculations

The fee is based on the average market value of the Client’s account during the billing period. Fee amounts are calculated by the advisor’s third party performance reporting company Orion Advisor Services, and are based on a daily average market value of the Client’s account during the billing period. Fee amounts are reviewed through the quarterly audit process and approved by the Chief Compliance Officer.

Fee Schedule

Management Fee

Headwater Investments’ standard fee is 0.75% annually on all assets under management, although this fee is negotiable. A discounted fee can be negotiated for households over \$1m.

Additional Fees

Clients will pay brokerage transaction costs and other charges directly to the custodian. Clients are required to pay, in addition to Headwater’s fee, a proportionate share of any exchange traded fund’s (ETF) or mutual fund’s fees and charges.

Discounted Fees

Headwater Investments is committed to giving back to and reinvesting in the community. Under certain conditions, non-profits and family household accounts may be eligible for a discounted or waived management fee. Not all conditions need to be met for the fee to be waived. Management fees may be charged due to travel or additional work on accounts eligible for the discounted fees or waived fee, but will not exceed the standard Firm management fees. The Firm reserves the right to change these conditions at any time.

Non-Profit Entities may be eligible for a discounted or waived fee if:

- 1) The non-profit must be based or do service work in Yamhill County.
- 2) The account is under \$1 million in assets under management.

Family household accounts may be eligible for a discounted or waived fee if:

- 1) There is already an established family relationship with the Firm. (E.g. Parents have established accounts with the Firm. Their children’s accounts may not be billable)
- 2) The account is under \$100K in assets under management. Once the account balance exceeds \$100K for the quarter, the standard management fee may be applied.
- 3) The Firm does not need to travel to meet the client.