

TJ-Directed SMA Asset-Based Management Fee

1. Asset-based Management Fee Schedule:

Assets under Management*	Asset-based Advisor Fee per year**
\$100,000 – 1,000,000	1.98%
\$1,000,001 – 10,000,000	1.78%
+\$10,000,000	1.48%
* Minimum Open Request \$100,000	
** No advisor fee to be charged, if NAV less than original investment. Fee is calculated and paid per quarterly in arrears.	

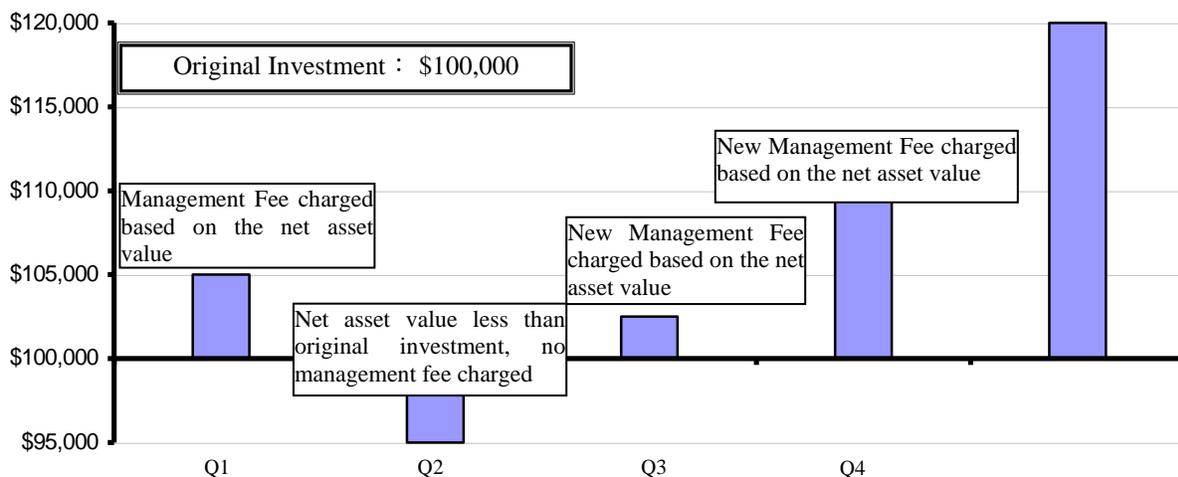
2. Asset-based Management Fee Comparison

Comparing to the industry, TJ's Asset-based management fee is much more competitive. TJ will not charge any management fee if quarter-end asset value under management is less than original investment, while the industry standard always charges management fees regardless of investment results.

TJ Asset-based Management Fee vs. Industry Standard

	TJ Management Fee	Industry Management Fee
Management Fee	1.48 - 1.98% (Various on investment amount)	1 - 3% (Various on investment amount)
Management Fee charged if quarter-end NAV less than original investment	NO FEE	1 - 3%

3. Chart of Asset-based Management Fee



4. Asset-based Management Fee Example

Original Investment \$100,000	
<p>Q1 :</p> <p>Investment Return: 5%</p> <p>Asset value before fee at the end of Q1: $\\$100,000 \times (1+5\%) = \\$105,000$</p> <p>The management fee of Q1 will be charged based on \$105,000, fee rate 0.495% $\\$105,000 \times 0.495\% = \\520</p>	<p>Q2 :</p> <p>Investment Return: -9.524%</p> <p>Asset value before fee at the end of Q2: $\\$105,000 \times (1-9.524\%) = \\$95,000$</p> <p>\$95,000 is less than the original investment, there is no management fee in Q2.</p>
<p>Q3:</p> <p>Investment Return: 7.895%</p> <p>Asset value before fee at the end of Q3: $\\$95,000 \times (1+7.895\%) = \\$102,500,$</p> <p>\$102,500 is more than the original investment \$100,000. The management fee of Q3 will be charged based on \$102,500, rate 0.495% $\\$102,500 \times 0.495\% = \\507</p>	<p>Q4:</p> <p>Investment Return: 7.317%</p> <p>Asset value before fee at the end of Q4: $\\$102,500 \times (1+7.317\%) = \\$110,000$</p> <p>The management fee of Q4 will be charge based on \$110,000, rate 0.495% $\\$110,000 \times 0.495\% = \\545</p>
<p>Special Situation :</p> <p>If net asset value after management fee is less than the original investment, the management fee charged is limited to keep NAV not less than original investment; the limitation is the difference between asset value before fee and the original investment.</p> <p>Example : Original Investment \$100,000 Investment Return in Q1: 0.04% Asset value before fee at the end of Q1: $\\$100,000 \times (1+0.04\%) = \\$100,040$ The management fee should be charged based on rate 0.495%: $\\$100,040 \times 0.495\% = \\495.19 The net asset value after management fee: $\\$100,040 - \\$495.19 = \\$99,544.18$</p> <p>The NAV is less than the original investment, so the management fee is limited to \$40, the difference between asset value before fee and the original investment.</p>	

Advantages of Asset-Based Management Fee

Our mission is to bring clients the best professional services with the most fair, reasonable and attractive fee terms. Our fee structure has the following advantages.

(1). "No Profit, No Management or Performance Fee"

No Management Fee will be charged, if end-quarter net asset value under management is less than the original investment. Original investment is defined as the cash deposited and the cash from the liquidation of the securities being transferred in. Unless our clients make money, we don't make money.

(2). "No Charge for consulting on portfolio being transferred from brokerage firm"

If clients transfer their portfolio from another brokerage firm, we give free investment advice, such as fundamental, technical and risk analysis, etc.

(3). “No Management or Performance Fee on Non-Managed Assets”

If clients transfer their portfolio from another brokerage and prefer not to immediately liquidate the stocks, mutual funds or bonds in the portfolio, we treat these as “non-managed assets” and will not charge any management or performance fee until they are liquidated and re-invested by us.

(4). Easy to calculate

Our fees consist of a percentage of assets under management, client will know exactly what they are paying for the service we provide, and there is no any hidden fee.

(5). Paid in arrears

Fees are paid quarterly, in arrears. That means before receiving compensation for our services we must first do the job for which client has hired us.