



## Account Opening and Disclosure Agreement

The following terms govern the offering of precious metals through Asset Strategies International ("ASI").

|                          |   |
|--------------------------|---|
| <b>The Investment</b>    | ASI a Maryland company, has been formed to provide its Clients with a means to directly buy, store and sell Precious Metals.  |
| <b>Principal Offices</b> | 1700 Rockville Pike #400<br>Rockville, MD 20852<br>Phone: 800-831-0007<br>Fax: 646-219-1615<br>Website: <a href="http://www.ASIPMDirect.com">http://www.ASIPMDirect.com</a><br>Email: <a href="mailto:support@ASIPMDirect.com">support@ASIPMDirect.com</a>  |
| <b>Business Day</b>      | A valid business day is one in which the New York Stock Exchange (NYSE) is open for business. Standard trading hours are between 9:00am and 5:15pm EST. Any trading outside of these hours would be considered extended trading hours.  |
| <b>Trading Day</b>       | Standard trading hours are between 9:00am and 5:15pm EST. Any trading outside of these hours would be considered extended trading hours.  |
| <b>Product Offering</b>  | <p>ASI will purchase and sell coins and bars on behalf of its Clients. Purchase orders may be placed in either dollars or for a specific quantity. In the event of a dollar order placement, ASI will purchase the quantity of the bar type ordered without exceeding the total dollar amount of the order.</p> <p>Subject to availability, Precious Metals are available through ASI in four metal types: Gold, Silver, Platinum and Palladium. Please refer to our "Investment Offering" sheet for our full list of product offering. Sizes vary from fixed weight bars (i.e. 1 troy ounce, 1 kilo (32.148 troy ounces)) to variable weight bars (i.e. 100 troy ounces, and 400 troy ounces<sup>1</sup>) and coins. In most cases subject to availability and market forces, larger size bars are most cost efficient. Certain products may not be available for purchase or sale during extended trading hours. Please refer to the products page for further details.</p> |

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<sup>1</sup> The actual weight of variable weight bars varies from bar to bar as much as +/- 50 oz. ASI will use best efforts to procure bars close to the specified fine weight dependent on dealer supply. Clients will be charged on the actual fine weight of the bar used to fill a purchase order.

**Transaction Fees**

The price of any Precious Metal purchase or sale order will include a transaction fee ("Transaction Fee"). The Transaction Fee will be based on the monetary value of the order and will be used by ASI to cover, among other things, trading, transportation (including costs of insuring Precious Metals during transport) and other administrative costs.

**Purchase/Sale Price**

When a Client submits a purchase or sale order, ASI will use commercially reasonable efforts to execute the order as soon as reasonably practicable after receiving it. For each purchase or sale order, ASI will use commercially reasonable efforts to obtain best execution pricing for that order. Orders involving multiple bars may be executed with more than one Dealer (as defined below), each bar may be purchased or sold at a different price and different bars may be physically delivered at different times.

**Order Placement**

All orders must be placed online on our website listed above.

**Settlement**

In the case of purchases the Client will wire, prior to execution, an estimated gross dollar value to ASI's custodial account at Bank Of America (including Transaction Fees), and in the case of sales, ASI will send a check or wire net proceeds to the Client as per its instructions. Clients have the option of maintaining a cash balance at ASI for future purchases. In certain circumstances, physical delivery to ASI's contracted vaults may be delayed due to the transportation requirements of moving Precious Metals; however the title is always transferred on settlement date of the order. Pursuant to the agreement between each Dealer and ASI, the Dealers will bear any costs, expenses or liabilities (including replacement costs) if any Precious Metal purchase or sale order is either delayed or not physically delivered after order settlement.

ASI will conduct trading 24 hours a day 5 days a week on days that the NYSE is open for business.



Trade settlements will be on trade date + two day cycle as illustrated below.

|              | Trade Date*     |                 | Settlement Day |
|--------------|-----------------|-----------------|----------------|
|              | From EST        | To EST          |                |
| <b>Day 1</b> | Sun 5:15:00pm   | Mon 5:14:59pm   | Wednesday      |
| <b>Day 2</b> | Mon 5:15:00pm   | Tue 5:14:59pm   | Thursday       |
| <b>Day 3</b> | Tue 5:15:00pm   | Wed 5:14:59pm   | Friday         |
| <b>Day 4</b> | Wed 5:15:00pm   | Thurs 5:14:59pm | Monday         |
| <b>Day 5</b> | Thurs 5:15:00pm | Fri 5:14:59pm   | Tuesday        |

\*Trades Date is based on the time of execution.

All trades placed after 4:55pm EST will be filled on a best efforts basis for that trade day. The proceeds of a sell order will not be sent until the order has settled.

#### **Precious Metal Dealers**

ASI maintains relationships with various approved dealers that make up ASI's approved network (the "Dealers") for the purpose of buying and selling Precious Metals on behalf of its Clients. All of the Dealers will provide ASI with LBMA/LPPM good delivery brand bars.<sup>2</sup>

#### **Precious Metal Purity**

ASI will purchase Precious Metals that have a minimum purity content set forth by either the LBMA/LPPM or Sovereign Governments for all products except 1kg bars, which will require a minimum purity of .9999 and silver products, which will have a purity content of .999.

#### **Suspension of Transactions**

ASI may suspend, or execute only a portion of, purchases or sales with respect to Clients in the following circumstances: (i) when trading of the Precious Metal is restricted on any one or more markets; (ii) if ASI determines that it is unable, for any reason, to determine the price or value of the Precious Metal or to execute an order; (iii) if the purchase or sale would, as determined by ASI, result in a violation of applicable law or regulation; (iv) during any disruption in the communication or computation systems used by ASI to communicate with Dealers, to determine the price or value to execute orders ; (v) during any period in which ASI has suspended its operations or is in the process of effecting

<sup>2</sup> List maintained by the LBMA/LPPM of refiners who meet certain criteria for assaying standards and bar quality.



an orderly liquidation of ASI; (vi) upon the occurrence of a force majeure event, including, without limitation, war, strike, flood, terrorism, computer “hacking” event, power failure, earthquake or similar event (all such events being “Force Majeure Events”), that would prevent ASI from fulfilling a purchase or sale order; or (vii) for any other reason if ASI determines that such order would not be in the best interest of, or could have a material adverse effect on, ASI or any Client.

#### **Secured Storage and Service Fee**

Clients will be charged a storage fee (the “Storage Fee”) on a monthly basis, in arrears. The Storage Fee will begin to accrue on the settlement date of purchases and will stop accruing on the settlement date minus one for sales.

The amount of the Storage Fee will be calculated by using the aggregate of the daily accrual of the Client’s settled holdings. Asset Base Fee = (Daily Valuation \* BPS)/Number of days in the year. The value of a Client’s Precious Metal holdings for each day will equal such Client’s holdings at the closing of business at the average closing bid price for such day or the last day that such price was available for weekends and business holidays.

The Storage Fee will be used to cover ASI’s overhead expenses, including, without limitation, all expenses incurred in connection with the storage, security, insurance and verification of Precious Metals (including fees and expenses paid to the Vaulting Partners and the Auditors (as defined below), expenses associated with preparing reports and valuations, legal expenses, and other operating expenses of ASI).

#### **Transport and Storage of Precious Metals by a Vaulting Partner**

Precious Metals purchased or sold through ASI will be transported and stored by a third party internationally recognized service provider (“Vaulting Partner”) selected by ASI.

Transport of Precious Metals in connection with a purchase or sale will be provided by ASI’s Vaulting Partner. Precious Metals stored in any vault are under 24 hour surveillance and are visually inspected on a regular basis. Current Vaulting Partners are Brink’s Global Services USA, Loomis and Malca Amit. Additional Vaulting Partners may be added in the future.



**Transport and Storage Insurance**

The transport and storage of Precious Metals by a Vaulting Partner will be insured under the Vaulting Partner's insurance policy. For example, Lloyds of London insures all movement and storage on behalf of Brink's, Loomis, and Malca Amit for the replacement value of the precious metal. The policy is an "all risks" policy, but does not cover losses for Force Majeure Events.

**Personal Possession of Precious Metal**

Any request by a Client to take possession of precious metals instead of storing it with a Vaulting Partner will be the sole decision of the Client. A Client that requests delivery does so with an understanding that it bears all of the risks associated with removing Precious Metals from the Chain of Custody of an approved Vaulting Partner. Included in these risks is the potential loss of value that occurs when attempting to return Precious Metals to the chain of custody. This loss is as a result of the retesting and potential melting and reformation by a certified Refiner/Assayer that may be required prior to a Dealer accepting said Precious Metals. The Client also understands the risk and costs associated with self-storing and insuring Precious Metals if it so desires. Precious Metals will not be delivered to any Client or its custodian without the acceptance of risk associated with taking delivery outside of the chain of custody.

**Bullion Auditing**

ASI has contracted with an internationally recognized audit/accounting firm (the "Auditor") that will enter each Vaulting Partner's vault in which ASI stores Precious Metals to confirm all the holdings. The Auditor will count each bar and confirm by serial number, if applicable, or by the number of bars/coins in the vault.

**Reporting**

After each trade, ASI will provide the Client with a confirmation detailing the amount of Precious Metals bought or sold, the total execution price at which the Precious Metal was purchased or sold and the settlement amount.

On a monthly basis, ASI will send each Client who stores its Precious Metals with ASI a Client statement setting forth the value of such Clients' holdings based on the closing price for the last business day of the preceding month. The ASI statement will provide a detailed accounting of the holdings and a description of the quantity or fine weight of each bar/coin type held by the Client.

**Incurrence of Indebtedness by ASI**

ASI does not intend to incur any indebtedness in connection with the purchase or sale of Precious Metals.



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|-------------------------------------|---|
| <b>Credit Matters for Clients</b>   | In no event will ASI extend credit to a Client for the purchase of Precious Metals.   |
| <b>Tax and Other Considerations</b> | ASI does not provide tax advice and recommends Clients consult with appropriate investment, tax, legal, and/or other advisors in connection with the purchase, sale, and storage of Precious Metals.  |
| <b>Transfers</b>                    | Precious Metals purchased through ASI can be transferred to a financial institution within the ASI network. ASI will work with the relevant financial institutions to complete the transfer process and any costs thereof will be borne by the Client. If the transfer is to a financial institution that does not have a relationship with ASI, no transfer will be affected and the Client may be required to liquidate its holdings or accept delivery assuming all risk as outlined under the section titled Personal Possession of Precious Metals.  |
| <b>Currency operations</b>          | All purchases and sales of Precious Metals will be made in US dollars.  |
| <b>Regulatory Considerations</b>    | <p>ASI is not a financial institution-dealer or a futures commission merchant and is not currently subject to regulation by the SEC, the CFTC or any self-regulatory organization.</p> <p>ASI is not an investment adviser or a commodity trading advisor and does not provide any investment advice or commodity trading advice.</p> <p>Precious Metals are not securities or futures contract. Therefore, the protections afforded by securities and commodities laws will not apply to an investment in Precious Metals through ASI, including the protections provided by SIPC.</p>   |
| <b>Redemptions</b>                  | ASI reserves the right, without prior notice of any kind to the Client, to redeem any Precious Metals in a Client's account in order to satisfy any obligations of a Client to ASI for which Client is in arrears for more than thirty (30) days (the "Obligations"), including without limitation Storage Fees and any other fees and expenses relating to a Client's account. If ASI redeems any of a Client's Precious Metals for any reason, it will charge the Client a fee of 2.5% of the dollar amount of the Precious Metals redeemed, in addition to the amount required to pay in full all of the Client's outstanding Obligations. |
| <b>Account Considerations</b>       | Cash balances which are not invested in Precious Metals will remain commingled in one non-interest bearing account which is not protected by the FDIC.  |