



## gnrfunds LLC Client Performance-Based Fee Engagement Agreement

Please review this Client Performance-Based Fee Engagement Agreement (“Performance Fee Agreement”) carefully as it sets forth the understanding between you (the “Client”) and gnrfunds LLC, a Texas limited liability company (the “Firm”), regarding the services the Firm will provide you. If you have any questions about the content of this Performance Fee Agreement you should discuss them with us or your legal counsel before you sign this document.

**Firm Services.** The Firm is providing solely portfolio management services pursuant to a Performance Fee Agreement as noted in the appropriate Addendum. The Client is hereby informed that information regarding specific issues not revealed to or analyzed by Firm may have a direct impact on the suitability or accuracy of specific recommendations given.

**Client Information.** The Client agrees to provide information regarding the Client's income, investments, other assets and interests, liabilities, income taxes, estate plan, and other pertinent information requested by the Firm. The Client also agrees to discuss the Client's needs and goals candidly with the Firm and to notify the Firm of changes in the Client's situation, needs and goals. The Client acknowledges that the Firm cannot adequately perform its services for the Client based on incomplete or inaccurate information.

**Fees.** The Firm assesses a performance fee under this Performance Fee Agreement as noted in the Addenda. Published fees are non-negotiable and are to be paid as stated in the Addenda. At no time will cash, gift cards, money order or similar forms of payment be accepted.

**Service Provider Fees.** Any transactional (i.e., “brokerage”) or custodial fees assessed by the selected service providers and/or individual retirement account or qualified retirement plan account termination fees are borne by the Client and are as provided in the current, separate fee schedule of the selected service provider. Fees paid to the Firm for its services are separate from any charges the Client may pay for mutual funds, exchange-traded funds, or other investments of this type. The Firm does not receive “trails” or SEC Rule 12b-1 fees from any mutual fund company. Fees charged by these issuers are detailed in prospectuses or product descriptions and Clients are encouraged to read these documents before investing.

**Commissions.** The Firm does not receive commission payments involving any securities recommendation or transaction services.

**Performance-Based Fees.** The Firm shall assess a performance-based fee under this Performance Fee Agreement; the Firm will share in the capital gains or capital appreciation (growth) of the performance fee account(s).

**Termination of Services.** Either Party may terminate this Performance Fee Agreement at any time by communicating their intent to terminate in writing. The Firm will not be responsible for investment allocation, advice, or transactional services (except for limited closing transactions) upon receipt of termination notice. It will also be necessary that the Firm informs the Custodian of Record that the relationship between Parties has been terminated. The Firm does not require advance payment or deposit of its advisory fee. If the Client did not receive the Firm's Form ADV Part 2 brochure at least forty-eight (48) hours prior to entering into this Performance Fee Agreement, then the Client has the right to terminate the engagement without penalty within five (5) business days after entering into the Performance Fee Agreement. If the Client terminates this Performance Fee Agreement after the five (5) business-day rescission period, they will be assessed fees on a prorated basis for services incurred from either (i) as a new Client, the date of the engagement to the date of the Firm's receipt of the written notice of termination, or (ii) all other accounts, the last billing period to the date of the Firm's physical or constructive receipt of written termination notice. If the Firm is unable to deduct its fee from the Client's account at the Custodian of Record, then the Firm's earned fees will be due upon the Client's receipt of Firm invoice.

**Conflict of Interests.** The Firm will provide disclosure throughout the term of the engagement regarding any conflicts of interest which could be reasonably expected to impair the rendering of unbiased and objective advice. The Client acknowledges that the Firm performs services for various other clients. Nothing in this Performance Fee Agreement shall preclude or hinder the Firm from rendering its advisory services to other clients, from using the investment knowledge it acquires while performing services for the benefit of the Client from being used for the benefit of itself or others, or from allocating investment opportunities among its various accounts as it deems appropriate. The Firm's Form ADV Part 2A and Form ADV Part 2B brochure supplements describe roles and capacities a Firm representative may serve and the conflicts of interest that exist. The Client has the right not to act upon the Firm's recommendations. If the Client elects to do so, the Client has the right to complete these services through the provider of the Client's choice.



**Client Representations.** The Client represents to the Firm the following and understands and agrees that the Firm is relying on these representations as an inducement to enter into this Performance Fee Agreement:

- The Client declares to be legally empowered to enter into or perform this Performance Fee Agreement.
- If this Performance Fee Agreement is established by a legal entity, the undersigned certifies that the Performance Fee Agreement has been duly authorized, executed and delivered on behalf of such entity, and that the Performance Fee Agreement is valid by way of resolution or amendment made by the entity to that effect and authorizing the appropriate officer or director to act on its behalf in connection with this Performance Fee Agreement.
- The Client affirms they are a qualified investor as defined by the United States Securities and Exchange Commission (SEC) and its Rule §275.205-3 as of the date of entering into this Performance Fee Agreement. If the Client no longer meets the definition of a qualified investor, the Client acknowledges that this Performance Fee Agreement is to be terminated.
- The Client agrees to provide the Firm with the necessary information to provide the agreed upon services.
- The Client agrees and acknowledges that the responsibility for financial decisions is theirs and the Client is under no obligation to follow, either wholly or in part, any recommendation or suggestion provided by the Firm.
- The Client understands and agrees that the Firm performs services for other clients and may make recommendations to those clients that differ from the recommendations made to the Client. The Client agrees the Firm does not have any obligation to recommend for purchase or sale any security or other asset it may recommend to any other client.
- The Client agrees the Firm obtains information from a wide variety of publicly available sources and cannot guarantee the accuracy of the information or success of the advice which it may provide. The information and recommendations developed by the Firm is based on the professional judgment of the Firm and the information the Client provides to the Firm.
- The Client acknowledges and agrees that the Firm shall not be obligated to provide any services under this Performance Fee Agreement with or for the Client if, in the Firm's reasonable judgment, this would (i) violate any applicable federal or state law or any applicable rule or regulation of any regulatory agency, or (ii) be inconsistent with any internal policy maintained by the Firm relating to business conduct with its Clients.
- The Client acknowledges all investments involve risks and that some investment decisions will result in losses, including the potential for the loss of their principal amount that has been invested. The Client understands that the Firm cannot guarantee any specific level of performance or that the Client's investment goals or planning objectives will be achieved. The Client further understands and acknowledges that investment decisions made on behalf of the Client's account by the Firm are subject to various market, currency, economic, and business risks, as well as the risk that those investment decisions will not always be profitable. The Client understands that securities, mutual funds, and other non-deposit investments are not guaranteed by the Firm or any affiliate, are not insured by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency, and are subject to investment risk, including possible loss of principal amounts invested.
- If the account under the Firm's supervision contains only a portion of the Client's total assets, the Firm shall not be responsible for the supervision of those Client assets not under management or otherwise covered by this Performance Fee Agreement.
- The Client understands and agrees that the Firm will not be liable for any loss incurred as a result of the services provided to the Client by the Custodian of Record under the Client's direction.
- Nothing contained in this paragraph constitutes a waiver of any rights that a Client has under federal and state securities laws to pursue a remedy by other means.

**Confidentiality of Information.** The Firm will regard any information provided by the Client as confidential and all recommendations and/or advice provided by the Firm shall be confidential, with disclosure only upon such terms and to such parties as designated by the parties as required by law. By executing this Performance Fee Agreement, the Client acknowledges receipt of the Firm's Privacy Policy statement that has been incorporated into the Firm's Form ADV Part 2A.

**Multiple Clients.** In the event the Client is more than one individual, the Firm is authorized to accept the direction of either party and such direction will be binding on all parties. This authority does not extend to individual accounts (i.e., individual retirement accounts, etc.) unless the Firm receives the account holder's prior written approval.



**Proxy Voting.** The Firm does not vote Client proxies. The Client shall be responsible for directing the manner in which proxies solicited by issuers of securities the Client beneficially owns shall be voted, and will make all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to Client assets.

**Electronic Document Delivery.** Whenever practical, documents and information will be electronically delivered to the Client. Such documents and information include, but are not limited to, service agreements, account information, forms, revised advisory firm disclosures and various types of general Client communications. Delivery mechanisms may include electronic mail (e-mail), firm web site, portal, and secure data transmission services. The sending of electronic messages and/or information shall constitute delivery of the information, regardless of whether the Client chooses to read it. The Client may opt-out of or revoke this consent to electronic delivery at any time by providing written notice to Firm at its main office. The Client agrees to keep a current, functional e-mail address and will update information with the Firm immediately if an e-mail address or any other contact information changes.

**Registration.** The Firm is an investment adviser registered with the State of Texas. The Firm may register, become licensed or meet exemption to registration and/or licensing in other jurisdictions in which it may conduct investment advisory business. Any reference to the Investment Advisers Act of 1940, as amended, in any Client document does not imply registration with the United States Securities and Exchange Commission (SEC). Registration any state securities authority does not imply a certain level of skill or training.

**Assignment.** This Performance Fee Agreement shall be binding on the Client's heirs, executors, successors, administrators, conservators, and permitted assigns. The Client may not assign his or her rights or delegate his or her obligations under this Performance Fee Agreement, in whole or in part, without the prior written consent of the Firm. The Firm may not assign this Performance Fee Agreement without the Client's written consent.

**Death or Disability.** If the Client is a natural person, the death, disability, or incompetency of the Client will not terminate or change the terms of this Performance Fee Agreement. However, the Client's executor, trustee, guardian, attorney-in-fact, or other authorized representative may terminate this Performance Fee Agreement by giving written notice to the Firm.

**Disputes.** A dispute, controversy, or claim that arises from this Performance Fee Agreement may be settled through direct negotiation, mediation, arbitration, or litigation. If direct negotiation fails, the Firm suggests, but does not mandate, that either mediation or arbitration, pursuant to JAMS' Streamlined Arbitration Rules and Procedures, be considered as a mechanism for resolution. Each party shall be responsible for the cost of its own legal representation at any proceeding. The parties agree the venue shall be in a mutually agreeable location within the State of Texas. Federal and state securities laws impose liabilities under certain circumstances on persons providing financial planning or portfolio management services, including circumstances when such persons act in good faith; therefore, nothing contained in this Performance Fee Agreement shall constitute a waiver of any rights that the Client may have under federal and state securities laws to pursue a remedy by other means.

**Other Services.** The Client acknowledges that the Firm does not and will not practice law or provide accounting services when providing investment advice to the Client. The Client understands that none of the fees paid under this Performance Fee Agreement relate to such services and that it is the responsibility of the Client to obtain such advice if necessary.

**Force Majeure.** An Event of Force Majeure means an event beyond the reasonable control of the Firm which prevents it from complying with any of its obligations under this Performance Fee Agreement, including but not limited to: acts of god (such as, but not limited to, fires, explosions, earthquakes, drought, tidal waves and floods); war, hostilities (whether war be declared or not), invasion, act of foreign enemies, mobilization, requisition, or embargo; rebellion, revolution, insurrection, or military or usurped power, or civil war; war; pandemics, epidemics, local disease outbreaks, public health emergencies, government imposed quarantines; contamination by radio-activity from any nuclear fuel, or from any nuclear waste from the combustion of nuclear fuel, radio-active toxic explosive, or other hazardous properties of any explosive nuclear assembly or nuclear component of such assembly; riot, commotion, strikes, go slows, lock outs or disorder, unless solely restricted to employees of a service provider; or acts or threats of terrorism. The Firm shall not be considered in breach of this Performance Fee Agreement to the extent that performance of its obligation is prevented by an Event of Force Majeure that arises on or after the Effective Date of the Performance Fee Agreement. The Firm shall give notice to the Client of an Event of Force Majeure upon it being foreseen by or becoming known to the Firm. If and to the extent that the Firm is prevented from executing the agreed upon services by the Event of Force Majeure, the Firm shall be relieved of its obligations to provide the agreed services but shall endeavor to continue to perform its obligations under the Performance Fee Agreement so far as reasonably practicable and in accordance with good operating practices. Nothing contained in this statement shall constitute a waiver of any rights that the Client has under federal and state securities laws to pursue a remedy by other means.



**Captions and Headings.** The captions and headings of the paragraphs in this Performance Fee Agreement are only for convenience and shall not be used in construing or interpreting this Performance Fee Agreement.

**Severability.** Any term or provision of this Performance Fee Agreement which is invalid or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms or provisions of this Performance Fee Agreement or affecting the validity or enforceability of any of the terms or provisions of this Performance Fee Agreement in any other jurisdiction.

**Entire Agreement; Modification.** This Performance Fee Agreement and any attachments, addenda or exhibits hereto constitutes the final, complete, and entire Performance Fee Agreement between the parties and supersedes all prior and contemporaneous understandings or agreements of the parties. This Performance Fee Agreement may be modified only by amendment in a writing signed by the parties to this Performance Fee Agreement, which specifically states that the amendment modifies this Performance Fee Agreement.

**Counterparts.** This Performance Fee Agreement may be executed in counterparts and by facsimile or scanned signature, each of which will be deemed an original and all of which together will constitute one instrument.

**Governing Law, Venue and Jurisdiction.** All matters arising out of or relating to this Performance Fee Agreement are governed by and construed in accordance with the laws of the State of Texas without giving effect to any choice or conflict of law provision or rule, unless preempted by federal law. Each Party irrevocably submits to the exclusive jurisdiction and venue of the federal and state courts located in Texas.

*Client acknowledges receipt of Part 2 of Form ADV; a disclosure statement containing the equivalent information; or a disclosure statement containing at least the information required by Part 2A Appendix 1 of Form ADV, if the client is entering into a wrap fee program sponsored by the investment adviser. If the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract without penalty within five business days after entering into the contract. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provisions of this contract notwithstanding.*

Client Signature	Spouse/Partner/Joint Account Signature	Date
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Print Client Name	Print Spouse/Partner/Joint Account Name	Date
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E-Mail Address	E-Mail Spouse/Partner/Joint Account
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I opt-out of consent to electronic delivery of documents: \_\_\_\_\_  
**Signature (If opting out of electronic delivery.)**

**NOTICES TO BE SENT TO –**

To Client: \_\_\_\_\_  
Street Address

\_\_\_\_\_  
City State Zip Code

To Firm: gnrffunds LLC  
683 E. Royal Lane/Apt 3098  
Irving, TX 75039  
Attn: Chief Compliance Officer

By: \_\_\_\_\_  
Managing Member Date



**Addendum – Performance-Based Fee Portfolio Management Services**

**Term of Services:** Engagements are considered ongoing and continuous until terminated by either Party under the terms of the Performance Fee Agreement.

**Custodian of Record:** The Custodian of Record for the Account(s) is: INTERACTIVE BROKERS.

**Investment Authority.** Under this Performance Fee Agreement, the Firm will only provide its services on a discretionary basis. Via limited power of attorney, discretionary basis (authority) allows the Firm to implement investment decisions, such as the purchase or sale of a security on behalf of the Client’s Account, without requiring the Client’s prior authorization for each transaction in order to meet stated Account objectives. The Firm will allow for reasonable restrictions involving the management of the Account as annotated within the Client’s written investment guidelines. The Client may amend Account authority by providing the Firm revised written instruction, which may result in the termination of the Performance Fee Agreement due to the unique nature of the services provided.

**Performance Fees Assessed:** Performance Fee Clients are not charged an asset-based fee and are only charged a performance-based fee. The performance fee is determined as follows:

**Performance Fee = 25% of (Yearly Gain – Hurdle Rate)**

Where,

- Yearly Gain = Account value as of Dec 31 – Historic Year End Peak
- Hurdle Rate = 6% of Historic Year End Peak

Historic Year End Peak is perpetual for existing accounts, and the Firm utilizes the initial account value, once all transfers have settled into the account, for the benchmark for new (first year) accounts. The performance results are measured after all account expenses, and brokerage commissions. Performance fee is paid to the Firm annually, in arrears.

Year (#)	A/C Value on 01/01 (A)	A/C Value on 12/31 (B)	Yearly Gain (C)=B-E	Hurdle Rate (D)=6% of E	Historic Year End Peak (E)	Performance Fee (25% of (Yearly Gain- Hurdle Rate))	Comments
1	\$100,000	\$120,000	\$20,000	\$6,000	\$100,000	\$3,500	Yearly Gain is greater than Hurdle Rate
2	\$116,500	\$126,000	\$6,000	\$7,200	\$120,000	\$0	Yearly Gain is less than Hurdle Rate
3	\$126,000	\$150,000	\$24,000	\$7,560	\$126,000	\$4,110	Yearly Gain is greater than Hurdle Rate
4	\$145,890	\$100,000	(\$50,000)	\$9,000	\$150,000	\$0	Yearly Gain is less than Hurdle Rate



5	\$100,000	\$145,000	(\$5,000)	\$9,000	\$150,000	<b>\$0</b>	Yearly Gain is less than Hurdle Rate
6	\$145,000	\$200,100	\$50,100	\$9,000	\$150,000	<b>\$10,275</b>	Yearly Gain is greater than Hurdle Rate

**Addendum – Performance-Based Fee Portfolio Management Services**

In jurisdictions where required, the Firm will concurrently send the Client and Custodian of Record an invoice (notice) each billing period that describes the performance fee to be deducted from the Client’s account at the Firm’s request. The invoice will include the total fee assessed, covered time period, the performance fee calculation formula utilized, and reference to the assets under management in which the performance fee had been based. Clients are encouraged to review the accuracy of our fee calculations as Custodians do not verify the accuracy of fee assessments for an account. Fee withdrawals typically occur within the first 10 days following the served account’s year-end. By signing this Performance Fee Agreement Addendum, as well as the Custodian’s account documents, the Client is authorizing the Custodian to withdraw the fee from the Client’s account. The Custodian will remit fees directly to the Firm and any deducted fees are noted on account statements the Client receives directly from the Custodian of Record. The Firm does not accommodate requests to be directly paid its fee in lieu of having the fee withdrawn from the investment account.

**The Client acknowledges receipt of Part 2 of Form ADV dated JUNE 15,2021 and that this Addendum represents an attachment to the Client Performance-Based Fee Engagement Agreement (Performance Fee Agreement) executed on \_\_\_\_\_, and that all other terms and conditions of the original Performance Fee Agreement shall remain in full force and effect.**

\_\_\_\_\_  
 Client Signature | Spouse/Partner/Joint Account Signature | Date

By: \_\_\_\_\_  
 Managing Member | Date