The following is a sample of the complete CRP Compliance Manual template. This template is to be used only as a guide for your firm to identify which sections need to be updated to adhere to the new Marketing & Advertising Rule 206(4)-1 as well as other updates we have made in 2022. Updates are based on regulation changes, exam findings and definition updates.

NOTE: there are sections shown in this version that might not be applicable to your firm.

1. **Review highlighted sections. In many cases the blue highlighted language will need to be deleted (as indicated with a strike through ~~XXXX~~), replaced, or amended with the new language as indicated or as needed. The new language will be highlighted in yellow.**
2. **Delete highlighted language from each section header: (AMEND THE LANGUAGE IN THIS SECTION HIGHLIGHTED IN BLUE)**
3. **After you have completed your updates, be sure to update your Table of Contents. Right click the Table of Contents and select “Update Entire Table”.**



COMPLIANCE MANUAL

FOR SEC ADVISOR

[FIRM NAME]

[DATE]

PLEASE NOTE:

THIS SAMPLE DRAFT COMPLIANCE MANUAL IS INTENDED TO HELP YOUR FIRM DISCUSS THE FIRM’S POLICIES AND PROCEDURES. THE POLICIES AND PROCEDURES AS WRITTEN IN THE SAMPLE DRAFT MANUAL IS ONLY A STARTING POINT FOR YOUR FIRM AND MUST BE CUSTOMIZED TO MEET YOUR FIRM’S PARTICULAR CIRCUMSTANCES, BUSINESS PRACTICES, POLICIES, AND PROCEDURES. IN THE COURSE OF MODIFYING YOUR FIRM’S COMPLIANCE MANUAL, YOU’LL NEED TO IDENTIFY POSSIBLE CONFLICTS AND OUTLINE THE PROCEDURES TO MITIGATE THE CONFLICT, FOR THE SUBJECT AREAS THAT PERTAIN TO YOUR FIRM.

BRACKETED LANGUAGE […]  LANGUAGE MAY NOT APPLY OR MAY CALL FOR A CHOICE AMONG ALTERNATIVE WORDS OR PHRASES. CHOOSE THE POLICIES AND PROCEDURES THAT ARE MOST APPLICABLE TO YOUR FIRM’S BUSINESS PRACTICES AND MODIFY THOSE POLICIES AND PROCEDURES TO FIT YOUR FIRM. BRACKETED SAMPLE DRAFT LANGAUGE THAT DOES NOT APPLY MUST BE MODIFIED OR REMOVED FROM THE FIRMS FINAL COMPLIANCE MANUAL.

YELLOW HIGHLIGHTED LANGUAGE MAY NOT APPLY OR MAY CALL FOR A CHOICE AMONG ALTERNATIVE WORDS OR PHRASES. CHOOSE THE POLICIES AND PROCEDURES THAT ARE MOST APPLICABLE TO YOUR FIRM’S BUSINESS PRACTICES AND MODIFY THOSE POLICIES AND PROCEDURES TO FIT YOUR FIRM. YELLOW HIGHLIGHTED SAMPLE DRAFT LANGAUGE THAT DOES NOT APPLY MUST BE MODIFIED OR REMOVED FROM THE FIRMS FINAL COMPLIANCE MANUAL.

IF YOU HAVE QUESTION REGARDING THE SAMPLE DRAFT COMPLIANCE MANUAL, PLEASE CALL CRP FOR ADDITIONAL GUIDANCE, 303-797-0550.

TABLE OF CONTENTS

[INTRODUCTION 15](#_Toc118114238)

[PURPOSE 15](#_Toc118114239)

[GUIDELINES ONLY 15](#_Toc118114240)

[QUESTIONS 15](#_Toc118114241)

[ACKNOWLEDGEMENT 15](#_Toc118114242)

[LIMITATIONS ON USE 15](#_Toc118114243)

[COMPLIANCE REVIEW 16](#_Toc118114244)

[OBJECTIVE OF THE COMPLIANCE PROGRAM – AMEND THE LANGUAGE IN THIS SECTION HIGHLIGHTED IN BLUE 16](#_Toc118114245)

[DESIGNATION OF CHIEF COMPLIANCE OFFICER 17](#_Toc118114246)

[DESIGNATION OF RESPONSIBILITY 17](#_Toc118114247)

[DUTIES OF THE CCO 17](#_Toc118114248)

[WHO IS COVERED BY [FIRM NAME]’S COMPLIANCE PROGRAM? 18](#_Toc118114249)

[AREAS OF COVERAGE OF THE COMPLIANCE PROGRAM 18](#_Toc118114250)

[COORDINATION OF REVIEW 19](#_Toc118114251)

[REGULATORY INSPECTIONS 19](#_Toc118114252)

[REGISTRATION AND LICENSING - DELETE LANGUAGE IN THIS SECTION HIGHLIGHTED IN BLUE 21](#_Toc118114253)

[STATE NOTICE FILING REQUIREMENTS 21](#_Toc118114254)

[REGISTRATION OF INVESTMENT ADVISER REPRESENTATIVES 21](#_Toc118114255)

[SUPERVISORY RESPONSIBILITY—STATE REGISTRATION 21](#_Toc118114256)

[THIRD PARTY - COMPLIANCE CONSULTANT 22](#_Toc118114257)

[ANNUAL RENEWAL/ANNUAL UPDATING AMENDMENT 22](#_Toc118114258)

[FILING FEES 22](#_Toc118114259)

[HIRING AND TRAINING OF INVESTMENT ADVISOR REPRESENTATIVES 22](#_Toc118114260)

[ENSURE PROPER REGISTRATION AND LICENSE 22](#_Toc118114261)

[REPRESENTATIVE DISQUALIFICATION 23](#_Toc118114262)

[RECORDS FOR ALL “ASSOCIATED PERSONS” 23](#_Toc118114263)

[UNREGISTERED SUPERVISED PERSONS 23](#_Toc118114264)

[REVIEW AND AMENDMENTS TO FORM ADV AND FORM CRS 23](#_Toc118114265)

[DISCIPLINARY DISCLOSURE 23](#_Toc118114266)

[REQUIRED DISCLOSURES 24](#_Toc118114267)

~~[SOLICITOR FEES -](#_Toc118114268)~~ [24](#_Toc118114268)

~~[GENERAL POLICY](#_Toc118114269)~~ [24](#_Toc118114269)

~~[RESPONSIBILITY](#_Toc118114270)~~ [24](#_Toc118114270)

~~[PROCEDURES](#_Toc118114271)~~ [24](#_Toc118114271)

[PRIVACY POLICY DISCLOSURES 26](#_Toc118114272)

[FORM 13-H 26](#_Toc118114273)

[FORM 13D, 13F, 13G 26](#_Toc118114274)

~~[LEAD GENERATION PROVIDER To be included only if applicable](#_Toc118114275)~~ [27](#_Toc118114275)

[REGULATION BEST INTEREST - BI 28](#_Toc118114276)

[GENERAL POLICY 28](#_Toc118114277)

[RESPONSIBILITY 28](#_Toc118114278)

[PROCEDURES 28](#_Toc118114279)

[Training 29](#_Toc118114280)

[DISCIPLINARY HISTORY - REVIEW AND REPORTING ON FORM CRS 29](#_Toc118114281)

[Dual Registrants [only keep if dual registrants] 29](#_Toc118114282)

[Recordkeeping 29](#_Toc118114283)

[BOOKS AND RECORDS - DELETE LANGUAGE IN THIS SECTION HIGHLIGHTED IN BLUE 30](#_Toc118114284)

[RESPONSIBILITY 30](#_Toc118114285)

[SPECIFIC RECORD KEEPING REQUIREMENTS 30](#_Toc118114286)

~~[](#_Toc118114287)~~~~[Performance Advertising Supporting Documents](#_Toc118114287)~~ [32](#_Toc118114287)

[CORPORATE RECORDS 32](#_Toc118114288)

[E-MAIL RETENTION 33](#_Toc118114289)

[THE USE OF ELECTRONIC MEDIA TO MAINTAIN AND PRESERVE RECORDS 33](#_Toc118114290)

[BRANCH OFFICE RECORDS 34](#_Toc118114291)

[BRANCH OFFICES 34](#_Toc118114292)

[BRANCH INSPECTIONS 35](#_Toc118114293)

[PROCEDURES AND RESPONSIBLE PARTY 36](#_Toc118114294)

[CLIENT REPORTING 37](#_Toc118114295)

[GENERAL POLICY 37](#_Toc118114296)

[PROCEDURES AND RESPONSIBLE PARTY 37](#_Toc118114297)

[RECORDKEEPING 37](#_Toc118114298)

[ADVISORY FEE BILLING PRACTICES 38](#_Toc118114299)

[GENERAL POLICY 38](#_Toc118114300)

[PROCEDURES AND RESPONSIBLE PARTY 39](#_Toc118114301)

[RECORDKEEPING 39](#_Toc118114302)

[DOUBLE DIPPING POLICY RESTRICTION 40](#_Toc118114303)

[CUSTODY 41](#_Toc118114304)

[RESPONSIBILITY 41](#_Toc118114305)

[DEDUCTION OF ADVISORY FEES FROM CLIENT ACCOUNTS 41](#_Toc118114306)

[INADVERTENT RECEIPT OF FUNDS OR SECURITIES 41](#_Toc118114307)

[RECEIPT OF THIRD-PARTY FUNDS 42](#_Toc118114308)

[DEFINITION OF QUALIFIED CUSTODIANS 42](#_Toc118114309)

[NOTICE OF QUALIFIED CUSTODIAN 42](#_Toc118114310)

[ACCOUNT STATEMENTS 42](#_Toc118114311)

[RESPONSIBILITY 42](#_Toc118114312)

[PROCEDURES 42](#_Toc118114313)

[SUPPLEMENTAL REPORT DISCLOSURE 42](#_Toc118114314)

[ADDRESS CHANGES 42](#_Toc118114315)

[BOOKS AND RECORDS 43](#_Toc118114316)

[DEFINITION OF INDEPENDENT REPRESENTATIVE 43](#_Toc118114317)

[USE OF AN INDEPENDENT REPRESENTATIVE 43](#_Toc118114318)

[SUPERVISED PERSON AS TRUSTEE 43](#_Toc118114319)

[STANDING LETTERS OF AUTHORIZATION 43](#_Toc118114320)

[MONITORING OF INDEPENDENT MANAGERS 45](#_Toc118114321)

[GENERAL POLICY 45](#_Toc118114322)

[RESPONSIBILITY 45](#_Toc118114323)

[PROCEDURES 45](#_Toc118114324)

[BOOKS AND RECORDS 45](#_Toc118114325)

[ANTI-MONEY LAUNDERING 46](#_Toc118114326)

[GENERAL POLICY 46](#_Toc118114327)

[TRAINING 46](#_Toc118114328)

[PROXY VOTING/CLASS ACTION LAWSUITS 47](#_Toc118114329)

[PROXY VOTING 47](#_Toc118114330)

[CLASS ACTION LAWSUITS 47](#_Toc118114331)

[PROXY VOTING PROCEDURES 48](#_Toc118114332)

[PROXY VOTING RESPONSIBILITIES AND PROCESS 48](#_Toc118114333)

[CONFLICTS OF INTEREST 49](#_Toc118114334)

[PROXY GUIDELINES 50](#_Toc118114335)

[VOTING PROCEDURES 50](#_Toc118114336)

[ELECTIONS OF DIRECTORS 51](#_Toc118114337)

[APPOINTMENT OF AUDITORS 51](#_Toc118114338)

[CHANGES IN CAPITAL STRUCTURE 51](#_Toc118114339)

[CORPORATE RESTRUCTURINGS, MERGERS AND ACQUISITIONS 51](#_Toc118114340)

[PROPOSALS AFFECTING SHAREHOLDER RIGHTS 51](#_Toc118114341)

[CORPORATE GOVERNANCE 52](#_Toc118114342)

[ANTI-TAKEOVER MEASURES 52](#_Toc118114343)

[CLIENT ACCESS TO POLICIES AND PROCEDURES AND PROXY VOTING RECORD 53](#_Toc118114344)

[RECORD KEEPING 53](#_Toc118114345)

[CLASS ACTION LAWSUITS 53](#_Toc118114346)

~~[ADVERTISING](#_Toc118114347)~~ [– DELETE THIS ENTIRE SECTION HIGHLIGHTED IN BLUE AND REPLACE WITH NEW MARKETING RULE LANGUAGE IN YELLOW. PLEASE TAILOR THE NEW LANGUAGE ACCORDINGLY. 54](#_Toc118114347)

~~[REGULATION](#_Toc118114348)~~ [54](#_Toc118114348)

~~[DEFINITION OF ADVERTISING](#_Toc118114349)~~ [54](#_Toc118114349)

~~[REVIEW AND APPROVAL](#_Toc118114350)~~ [54](#_Toc118114350)

~~[PRESENTATION – CLIENTS](#_Toc118114351)~~ [56](#_Toc118114351)

~~[PERFORMANCE](#_Toc118114352)~~ [56](#_Toc118114352)

~~[PROHIBITED REFERENCES](#_Toc118114353)~~ [56](#_Toc118114353)

~~[TESTIMONIALS](#_Toc118114354)~~ [56](#_Toc118114354)

~~[THIRD PARTY REPORTS](#_Toc118114355)~~ [56](#_Toc118114355)

~~[USE OF ADVISORY CLIENT LIST](#_Toc118114356)~~ [56](#_Toc118114356)

~~[USE OF HEDGE CLAUSES](#_Toc118114357)~~ [57](#_Toc118114357)

~~[PERFORMANCE PRESENTATIONS IN [ABBREVIATION OF FIRM] ADVERTISEMENTS.](#_Toc118114358)~~ [57](#_Toc118114358)

~~[THIRD-PARTY RANKINGS OR AWARDS](#_Toc118114359)~~ [58](#_Toc118114359)

~~[APPROVED MARKETING MATERIALS](#_Toc118114360)~~ [59](#_Toc118114360)

~~[PRESENTATION – CLIENTS](#_Toc118114361)~~ [59](#_Toc118114361)

~~[PERFORMANCE](#_Toc118114362)~~ [60](#_Toc118114362)

[MARKETING & ADVERTISING 61](#_Toc118114363)

[BACKGROUND 61](#_Toc118114364)

[DEFINITION OF ADVERTISEMENT 61](#_Toc118114365)

[GENERAL PROHIBITIONS 62](#_Toc118114366)

[ADVERTISEMENT PROCEDURES 62](#_Toc118114367)

[BOOKS AND RECORDS 63](#_Toc118114368)

[TESTIMONIALS AND ENDORSEMENTS 64](#_Toc118114369)

[LEAD GENERATION FIRMS 65](#_Toc118114370)

[DISCLOSURES 65](#_Toc118114371)

[COMPENSATED TESTIMONIALS AND ENDORSEMENTS 66](#_Toc118114372)

[OTHER EXEMPTIONS 66](#_Toc118114373)

[REGISTRATION REQUIREMENTS 66](#_Toc118114374)

[THIRD-PARTY ATTRIBUTION 67](#_Toc118114375)

[ENDORSEMENTS (PREVIOUSLY REFERRED TO AS SOLICITORS) 67](#_Toc118114376)

[DISCLOSURES 67](#_Toc118114377)

[DISQUALIFICATION FOR PERSONS WHO HAVE ENGAGED IN MISCONDUCT 67](#_Toc118114378)

[EXEMPTIONS 68](#_Toc118114379)

[TESTIMONIALS AND ENDORSEMENTS ADVERTISING PROCEDURES 68](#_Toc118114380)

[BOOKS AND RECORDS 69](#_Toc118114381)

[THIRD-PARTY RANKINGS OR AWARDS 69](#_Toc118114382)

[POLICY 69](#_Toc118114383)

[PERFORMANCE ADVERTISING 71](#_Toc118114384)

[MARKETING PROCEDURES FOR SOCIAL MEDIA 75](#_Toc118114385)

[PUBLIC APPEARANCES 76](#_Toc118114386)

[MARKETING DEFINITIONS 77](#_Toc118114387)

[ELECTRONIC COMMUNICATIONS – DELETE LANGUAGE IN THIS SECTION HIGHLIGHTED IN BLUE 81](#_Toc118114388)

[OBJECTIVE 81](#_Toc118114389)

[SUPERVISORY RESPONSIBILITY 81](#_Toc118114390)

[GENERAL POLICY 81](#_Toc118114391)

[ELECTRONIC DELIVERY OF INFORMATION 82](#_Toc118114392)

[REVIEW 82](#_Toc118114393)

[MARKETING& ADVERTISING SALES LITERATURE 83](#_Toc118114394)

[POLICY REGARDING ANY FIRM ELECTRONIC COMMUNICATION 83](#_Toc118114395)

[TEXT MESSAGING POLICY 83](#_Toc118114396)

[STANDARDS FOR INTERNET AND E-MAIL COMMUNICATIONS 84](#_Toc118114397)

[EMAIL POLICY 85](#_Toc118114398)

[SOCIAL MEDIA AND BLOGGING POLICY 85](#_Toc118114399)

[LICENSING 87](#_Toc118114400)

~~[BOOKS AND RECORDS](#_Toc118114401)~~ [87](#_Toc118114401)

~~[ADVERTISING](#_Toc118114402)~~ [88](#_Toc118114402)

[SUPERVISORY POLICIES 88](#_Toc118114403)

[CODE OF ETHICS 89](#_Toc118114404)

[PORTFOLIO MANAGEMENT 90](#_Toc118114405)

[PORTFOLIO MANAGEMENT AND TRADING PROCESS 90](#_Toc118114406)

[DEFINED CUSTODIAN 90](#_Toc118114407)

[RESEARCH PROCESSES 90](#_Toc118114408)

[VALUATION OF SECURITIES 90](#_Toc118114409)

[ACCOUNT REVIEW POLICY 91](#_Toc118114410)

[SUITABILITY 91](#_Toc118114411)

[CONCENTRATED ACCOUNTS 91](#_Toc118114412)

[INACTIVE ACCOUNTS 91](#_Toc118114413)

[REVIEW PROCEDURES 92](#_Toc118114414)

[ACCOUNT STATEMENTS 92](#_Toc118114415)

[COMPLIANCE WITH INVESTMENT POLICIES/PROFILES, GUIDELINES AND LEGAL REQUIREMENTS 92](#_Toc118114416)

[PROHIBITED PRACTICES 92](#_Toc118114417)

[SOURCE OF FUNDS 93](#_Toc118114418)

[SOURCES OF INVESTMENT RESTRICTIONS 94](#_Toc118114419)

[RESPONSIBILITY FOR COMPLIANCE WITH INVESTMENT RESTRICTIONS 94](#_Toc118114420)

[MUTUAL FUND SHARE CLASSES 96](#_Toc118114421)

[GENERAL POLICY 96](#_Toc118114422)

[PROCEDURES 96](#_Toc118114423)

[CRYPTO-ASSET POLICY 97](#_Toc118114424)

[MARIJUANA POLICY 97](#_Toc118114425)

[FIDUCIARY DUTIES OWED TO CLIENTS 97](#_Toc118114426)

[WRAP FEE PROGRAM 99](#_Toc118114427)

[ALTERNATIVE INVESTMENTS 101](#_Toc118114428)

[DUE Dilligence of Alternative INVESTMENTS 102](#_Toc118114429)

[Client REVIEW for USE OF Alternative INVESTMENTS 103](#_Toc118114430)

[DISCLOSURE OF RISKS 103](#_Toc118114431)

[Account Type Considerations 104](#_Toc118114432)

[TRADING AND BROKERAGE POLICY/BEST EXECUTION 108](#_Toc118114433)

[REVIEW OF TRADE EXECUTION 108](#_Toc118114434)

[DISCLOSURE 108](#_Toc118114435)

[CONFLICTS OF INTERESTS 108](#_Toc118114436)

[TRADE PROCESSING PROCEDURES 108](#_Toc118114437)

[AGGREGATION AND ALLOCATION OF TRANSACTIONS 109](#_Toc118114438)

[ALLOCATION OF INVESTMENT OPPORTUNITIES 109](#_Toc118114439)

[AGGREGATED EXECUTIONS 110](#_Toc118114440)

[COMPLIANCE MONITORING AND REPORTING 111](#_Toc118114441)

[PRINCIPAL AND CROSS TRANSACTIONS WITH CLIENTS 111](#_Toc118114442)

[ECONOMIC BENEFITS FROM SECURITIES TRANSACTIONS 111](#_Toc118114443)

[SOFT DOLLAR BENEFITS – DEFINITION 111](#_Toc118114444)

[OTHER ECONOMIC BENEFITS 112](#_Toc118114445)

[SOFT DOLLAR ARRANGEMENTS 112](#_Toc118114446)

[TRADE ERROR PROCEDURES 114](#_Toc118114447)

[DEFINITION OF TRADE ERROR 114](#_Toc118114448)

[GENERAL POLICY 114](#_Toc118114449)

[TRADE ERROR NOTIFICATION PROCEDURES 114](#_Toc118114450)

[FINANCIAL PLANNING 116](#_Toc118114451)

[REQUIRED AGREEMENTS 116](#_Toc118114452)

[DUTIES IN PROVIDING FINANCIAL PLANNING SERVICES 116](#_Toc118114453)

[RECORDKEEPING 116](#_Toc118114454)

[ERISA PLANS 118](#_Toc118114455)

[GENERAL POLICY 118](#_Toc118114456)

[QDIA REGULATION 118](#_Toc118114457)

[ERISA DISCLOSURES - 408(B)(2) 119](#_Toc118114458)

[[Keep the following if providing rollover recommendations] 119](#_Toc118114459)

[INVESTMENT ADVICE AND ROLLOVER RECOMMENDATIONS 119](#_Toc118114460)

[POLICY 120](#_Toc118114461)

[IMPARTIAL CONDUCT STANDARDS 121](#_Toc118114462)

[PRUDENT ANALYSIS – INFORMATION GATHERING 121](#_Toc118114463)

[FIDUCIARY ACKNOWLEDGEMENT 122](#_Toc118114464)

[CONFLICTS OF INTEREST 122](#_Toc118114465)

[SUPERVISORY OVERSIGHT 122](#_Toc118114466)

[VIOLATIONS – CORRECTIVE ACTION 123](#_Toc118114467)

[ANNUAL RETROSPECTIVE REVIEW 123](#_Toc118114468)

[UNSOLICITED ROLLOVER TRANSACTIONS 124](#_Toc118114469)

[SUPERVISORY OVERSIGHT ON UNSOLICITED ROLLOVERS 124](#_Toc118114470)

[INVESTMENT EDUCATION 124](#_Toc118114471)

[POLICY 124](#_Toc118114472)

[SUPERVISORY OVERSIGHT 126](#_Toc118114473)

[UNSOLICITED ROLLOVER TRANSACTIONS 126](#_Toc118114474)

[SUPERVISORY OVERSIGHT ON UNSOLICITED ROLLOVERS 126](#_Toc118114475)

[INVESTMENT MANAGEMENT FOR RETIREMENT PLANS -3(21) or 3(38) 126](#_Toc118114476)

[RESPONSIBILITY 126](#_Toc118114477)

[COVERED SERVICE PROVIDER 126](#_Toc118114478)

[PLAN DOCUMENTS 127](#_Toc118114479)

[BONDING 127](#_Toc118114480)

[RULE 408(B) 127](#_Toc118114481)

[REPORTING 127](#_Toc118114482)

[AGREEMENT 128](#_Toc118114483)

[COMPENSATION 128](#_Toc118114484)

[ERISA REPORTING 128](#_Toc118114485)

[DISCLOSURE 128](#_Toc118114486)

[PROCEDURES 129](#_Toc118114487)

[BOOKS AND RECORDS 129](#_Toc118114488)

[INDIVIDUAL RETIREMENT ACCOUNTS 129](#_Toc118114489)

[OPENING ACCOUNTS FOR SENIOR INVESTORS 130](#_Toc118114490)

[OBJECTIVE 130](#_Toc118114491)

[DEFINITION OF TRUSTED CONTACT 130](#_Toc118114492)

[PROCESS 130](#_Toc118114493)

[DIMINISHED MENTAL CAPACITY 131](#_Toc118114494)

[POTENTIAL INDICATION OF ELDER FINANCIAL EXPLOITATION 131](#_Toc118114495)

[TRAINING 131](#_Toc118114496)

[COMPLAINTS 132](#_Toc118114497)

[SUPERVISORY RESPONSIBILITY 132](#_Toc118114498)

[DEFINITION 132](#_Toc118114499)

[HANDLING OF CLIENT COMPLAINTS 132](#_Toc118114500)

[CORRESPONDENCE 133](#_Toc118114501)

[DEFINITION – AMEND LANGUAGE IN THIS SECTION HIGHLIGHTED IN BLUE 133](#_Toc118114502)

[OUTGOING CORRESPONDENCE 133](#_Toc118114503)

[INCOMING CORRESPONDENCE 134](#_Toc118114504)

[APPROVAL 134](#_Toc118114505)

[RECORDS 134](#_Toc118114506)

[PERSONAL MAIL 134](#_Toc118114507)

[PRIVACY PROTECTION AND INFORMATION SECURITY POLICIES 135](#_Toc118114508)

[REGULATION S-P 135](#_Toc118114509)

[SCOPE OF POLICY 135](#_Toc118114510)

[OVERVIEW OF THE GUIDELINES FOR PROTECTING CLIENT INFORMATION 135](#_Toc118114511)

[EMPLOYEE RESPONSIBILITY 135](#_Toc118114512)

[INFORMATION PRACTICES 136](#_Toc118114513)

[DISCLOSURE OF INFORMATION TO NONAFFILIATED THIRD PARTIES – “DO NOT SHARE” POLICY 136](#_Toc118114514)

[TYPES OF PERMITTED DISCLOSURES – THE EXCEPTIONS 136](#_Toc118114515)

[PROVISION OF OPT OUT 137](#_Toc118114516)

[SAFEGUARDING OF CLIENT RECORDS AND INFORMATION 137](#_Toc118114517)

[SECURITY STANDARDS 138](#_Toc118114518)

[PRIVACY POLICY 138](#_Toc118114519)

[PRIVACY POLICY DELIVERY 138](#_Toc118114520)

[REVISED PRIVACY POLICY 138](#_Toc118114521)

[REG S-ID IDENTITY THEFT PREVENTION PROGRAM (ITPP) 139](#_Toc118114522)

[IDENTIFYING RELEVANT RED FLAGS 139](#_Toc118114523)

[DETECTING RED FLAGS 139](#_Toc118114524)

[PROCEDURES TO PREVENT AND MITIGATE IDENTITY THEFT 140](#_Toc118114525)

[APPLICANTS: FOR RED FLAGS RAISED BY SOMEONE ATTEMPTING TO BECOME A CLIENT. 140](#_Toc118114526)

[SEEKERS: FOR RED FLAGS RAISED BY SOMEONE SEEKING TO ACCESS AN EXISTING CLIENT’S ACCOUNT: 140](#_Toc118114527)

[CUSTODIAN AND OTHER SERVICE PROVIDERS 141](#_Toc118114528)

[UPDATES AND ANNUAL REVIEW 141](#_Toc118114529)

[CYBERSECURITY / WRITTEN INFORMATION SECURITY POLICY (“WISP”) 144](#_Toc118114530)

[OVERVIEW 144](#_Toc118114531)

[SCOPE 144](#_Toc118114532)

[GENERAL USE AND OWNERSHIP 144](#_Toc118114533)

[PC AND NOTEBOOK SECURITY 145](#_Toc118114534)

[INTERNET AND EMAIL 146](#_Toc118114535)

[REMOVABLE AND MOBILE MEDIA 146](#_Toc118114536)

[REMOTE ACCESS 147](#_Toc118114537)

[BACKUPS OF SENSITIVE DATA 147](#_Toc118114538)

[THIRD PARTY ACCESS 147](#_Toc118114539)

[ENCRYPTION 148](#_Toc118114540)

[EMPLOYEE OR EQUIPMENT CHANGES 148](#_Toc118114541)

[PAPER RECORDS 149](#_Toc118114542)

[SERVER ROOM CONSIDERATIONS 149](#_Toc118114543)

[FRAUDULENT EMAIL REQUESTS AND COMPROMISED CLIENT EMAIL ACCOUNTS 149](#_Toc118114544)

[DATA SECURITY COORDINATOR 150](#_Toc118114545)

[TRAINING 150](#_Toc118114546)

[RISK ANALYSIS 150](#_Toc118114547)

[ENFORCEMENT 150](#_Toc118114548)

[RESPONSE TO SECURITY BREACH 150](#_Toc118114549)

[BUSINESS CONTINUITY PLAN (“BCP”) 154](#_Toc118114550)

[PAY TO PLAY POLICY 155](#_Toc118114551)

[STATEMENT OF POLICY 155](#_Toc118114552)

[DEFINITIONS 155](#_Toc118114553)

[REGULATORY REQUIREMENT 156](#_Toc118114554)

[PROCEDURES 157](#_Toc118114555)

[DOCUMENT DESTRUCTION POLICY 159](#_Toc118114556)

[ADMINISTRATION & SUPERVISION OF RECORDS RETENTION AND DESTRUCTION 159](#_Toc118114557)

[SUSPENSION OF RECORD DISPOSAL IN EVENT OF LITIGATION OR CLAIMS OR REGULATORY INQUIRY 159](#_Toc118114558)

[POLICY STATEMENT 160](#_Toc118114559)

[PURPOSE OF POLICY 160](#_Toc118114560)

[PROCEDURE FOR DESTRUCTION OF RECORDS 160](#_Toc118114561)

[CHARITABLE GIVING POLICY 162](#_Toc118114562)

[GENERAL POLICY 162](#_Toc118114563)

[CHARITABLE CONTRIBUTION CHECKLIST 163](#_Toc118114564)

[OVERSIGHT OF SERVICE PROVIDERS 164](#_Toc118114565)

[DEFINITIONS 166](#_Toc118114566)

[ACCESS PERSON 166](#_Toc118114567)

[ACCREDITED INVESTOR 166](#_Toc118114568)

[ADVISERS ACT 166](#_Toc118114569)

[AFFILIATE ACCOUNT 167](#_Toc118114570)

[CLIENT 167](#_Toc118114571)

[EMPLOYEE 167](#_Toc118114572)

[“FAMILY MEMBER” OF AN ACCESS PERSON 167](#_Toc118114573)

[FEDERAL SECURITIES LAWS 167](#_Toc118114574)

[FRONT-RUNNING 167](#_Toc118114575)

[HIGH NET WORTH INDIVIDUAL 167](#_Toc118114576)

[HIGH NET WORTH INDIVIDUAL 167](#_Toc118114577)

[HOUSEHOLD 168](#_Toc118114578)

[MATERIAL NON-PUBLIC INFORMATION 168](#_Toc118114579)

[QUALIFIED CLIENT or QUALIFIED PURCHASER 168](#_Toc118114580)

[QUALIFIED CUSTODIAN 169](#_Toc118114581)

[QUALIFIED INSTITUTIONAL BUYER 169](#_Toc118114582)

[REGULATORY ASSETS UNDER MANAGEMENT 169](#_Toc118114583)

[REPORTABLE SECURITY 169](#_Toc118114584)

[RESTRICTED SECURITY 170](#_Toc118114585)

[RETAIL CLIENT 170](#_Toc118114586)

[SECURITY 170](#_Toc118114587)

[APPENDIX A - ACKNOWLEDGEMENT OF RECEIPT AND ACCEPTANCE 171](#_Toc118114588)

[APPENDIX B – CODE OF ETHICS 172](#_Toc118114589)

[GENERAL PRINCIPLES 172](#_Toc118114590)

[SCOPE OF THE CODE 172](#_Toc118114591)

[PERSONS COVERED BY THE CODE 173](#_Toc118114592)

[SECURITIES COVERED BY THE CODE 173](#_Toc118114593)

[STANDARDS OF BUSINESS CONDUCT 174](#_Toc118114594)

[COMPLIANCE WITH LAWS AND REGULATIONS 174](#_Toc118114595)

[CONFLICTS OF INTEREST 174](#_Toc118114596)

[INSIDER TRADING 174](#_Toc118114597)

[PERSONAL SECURITIES TRANSACTIONS 175](#_Toc118114598)

[GIFTS AND ENTERTAINMENT 177](#_Toc118114599)

[CONFIDENTIALITY 178](#_Toc118114600)

[SERVICE OF BOARD OF DIRECTORS 178](#_Toc118114601)

[OTHER OUTSIDE ACTIVITIES 179](#_Toc118114602)

[MARKETING AND PROMOTIONAL ACTIVITIES 179](#_Toc118114603)

[COMPLIANCE PROCEDURES 179](#_Toc118114604)

[PERSONAL SECURITIES TRANSACTION PROCEDURES AND REPORTING 179](#_Toc118114605)

[PRE-CLEARANCE PROCEDURES 180](#_Toc118114606)

[REPORTING REQUIREMENTS 181](#_Toc118114607)

[QUARTERLY TRANSACTION REPORTS 181](#_Toc118114608)

[CONFIDENTIALITY OF REPORTS 181](#_Toc118114609)

[REPORTING EXEMPTIONS 182](#_Toc118114610)

[DUPLICATE BROKERAGE CONFIRMATIONS AND STATEMENTS 182](#_Toc118114611)

[MONITORING OF PERSONAL SECURITIES TRANSACTIONS 182](#_Toc118114612)

[CERTIFICATION OF COMPLIANCE 183](#_Toc118114613)

[INITIAL CERTIFICATION 183](#_Toc118114614)

[ACKNOWLEDGEMENT OF AMENDMENTS 183](#_Toc118114615)

[ANNUAL CERTIFICATION 183](#_Toc118114616)

[RECORDKEEPING 183](#_Toc118114617)

[FORM ADV DISCLOSURE 183](#_Toc118114618)

[ADMINISTRATION AND ENFORCEMENT OF THE CODE 184](#_Toc118114619)

[TRAINING AND EDUCATION 184](#_Toc118114620)

[ANNUAL REVIEW 184](#_Toc118114621)

[REPORT TO SENIOR MANAGEMENT 184](#_Toc118114622)

[REPORTING VIOLATIONS 184](#_Toc118114623)

[WHISTLEBLOWER PROGRAM 184](#_Toc118114624)

[SANCTIONS 185](#_Toc118114625)

[FURTHER INFORMATION REGARDING THE CODE 185](#_Toc118114626)

[CODE OF ETHICS EXHIBIT A 186](#_Toc118114627)

[ACKNOWLEDGEMENT OF RECEIPT AND ACCEPTANCE OF CODE OF ETHICS 186](#_Toc118114628)

[CODE OF ETHICS EXHIBIT B 187](#_Toc118114629)

[ACKNOWLEDGEMENT OF RECEIPT AND ACCEPTANCE OF AMENDMENT TO CODE OF ETHICS 187](#_Toc118114630)

[CODE OF ETHICS EXHIBIT C 188](#_Toc118114631)

[ANNUAL CERTIFICATION OF COMPLIANCE WITH THE CODE OF ETHICS 188](#_Toc118114632)

[APPENDIX C – INSIDER TRADING 189](#_Toc118114633)

[THE BASIC INSIDER TRADING PROHIBITION 189](#_Toc118114634)

[BASIC CONCEPTS 190](#_Toc118114635)

[SANCTIONS AND LIABILITIES 192](#_Toc118114636)

[RESTRICTIONS AND REQUIRED CONDUCT TO PREVENT INSIDER TRADING 192](#_Toc118114637)

# INTRODUCTION

## PURPOSE

[FIRM NAME] (“[Abbreviation of Firm],” “the Firm” or “Firm”) has adopted the following policies and procedures for compliance as a registered investment adviser under Investment Advisers Act of 1940 (“Advisers Act”). Employees of the Firm are expected to be familiar with and follow the Firm’s policies.

## GUIDELINES ONLY

The information and procedures provided within this manual represent guidelines to be followed by [Abbreviation of Firm]’s personnel and are not inclusive of all laws, rules and regulations that govern the activities of [Abbreviation of Firm]. Employees should conduct their activities in a manner that not only achieves technical compliance with this Compliance Manual, but also abides by its spirit and principles of a fiduciary.

## QUESTIONS

Any questions concerning the policies and procedures contained within this Manual or regarding any regulations or compliance matters should be directed to the Chief Compliance Officer (“CCO”) or designee as described below.

## ACKNOWLEDGEMENT

All [Abbreviation of Firm] Employees are required to acknowledge that they have read and that they understand and agree to comply with the Firm’s compliance policies and procedures, in the form attached hereto as ***Acknowledgement of Receipt and Acceptance of Compliance Manual*** in ***Appendix A.***

## LIMITATIONS ON USE

[Abbreviation of Firm] is the sole owner of all rights to this manual and it must be either returned by the employee to [Abbreviation of Firm] or electronically destroyed immediately upon termination of employment. The information contained herein is confidential and proprietary and may not be disclosed to any third-party or otherwise shared or disseminated in any way without the prior written approval of [Abbreviation of Firm].

# COMPLIANCE REVIEW

## OBJECTIVE OF THE COMPLIANCE PROGRAM – AMEND THE LANGUAGE IN THIS SECTION HIGHLIGHTED IN BLUE

It is the policy of [FIRM NAME] to remain compliant with all rules and regulations set forth by the Securities Exchange Commission (“SEC”) and any other organization having governing authority over [Abbreviation of Firm] and its operations. As a result, [Abbreviation of Firm] has implemented the Compliance Program contained in this Compliance Manual and its Appendices and Exhibits.

The Compliance Program is designed to assist employees of the Firm in maintaining compliance with the securities laws under which [Abbreviation of Firm] operates, namely the Advisers Act as amended. The rules make it unlawful for any investment adviser to provide advice to any client unless they have complied with the Advisers Act by:

Creating or adopting written compliance policies and procedures to address, at a minimum, the following areas:

1. Portfolio Management Processes

Portfolio management processes, including allocation of investment opportunities among clients and consistency of portfolios with clients’ investment objectives, disclosures by the adviser, and applicable regulatory restrictions

1. Trading Practices

Trading practices, including procedures by which the adviser satisfies its best execution obligation, uses client brokerage to obtain research and other services (“soft dollar arrangements”), and allocates aggregated trades among clients;

1. Proprietary Trading

Proprietary trading of the adviser and personal trading activities of supervised persons;

1. Disclosures

The accuracy of disclosures made to investors, clients, and regulators, including account statements and advertisements;

1. Safeguarding Client Assets

Safeguarding of client assets from conversion or inappropriate use by advisory personnel;

1. Accurate Records

The accurate creation of required records and their maintenance in a manner that secures them from unauthorized alteration or use and protects them from untimely destruction;

1. Marketing – AMEND LANGUAGE

Marketing advisory services, including the use of ~~solicitors~~ promoters;

1. Valuation Processes

Processes to value client holdings and assess fees based on those valuations;

1. Privacy Safeguards

Safeguards for the privacy protection of client records and information;

1. Business Continuity

Business continuity plans.

1. Processes

Creating a process to review written policies and procedures annually; and

1. CCO

Designating a CCO.

## DESIGNATION OF CHIEF COMPLIANCE OFFICER

[Name of CCO] is designated as the Firm’s CCO and is responsible for on-going compliance matters of the Firm. The CCO will meet on a regular basis with the other qualified representatives of [Abbreviation of Firm] to review and address compliance and/or supervisory issues of the Firm. The CCO will utilize the services of other staff members of the Firm on an as needed basis for compliance purposes and to provide assistance to the CCO in the on-going management of the Firm’s compliance program (“designee”). Such individuals will report directly to the CCO. Ultimate responsibility for ensuring that [Abbreviation of Firm] and its employees comply with the provisions of this manual and the federal and state securities laws rests with the CCO.

## DESIGNATION OF RESPONSIBILITY

The CCO has full responsibility and authority to develop and enforce appropriate compliance policies and procedures and will be responsible for all compliance functions. The CCO has overseen the preparation and updating of the written policies and procedures contained in this Manual. The CCO shall ensure that a copy of these policies and procedures are maintained for a minimum of five (5) years from the date of the most recent change. The CCO or his designee will conduct annual audits and assessments of the business being conducted by [Abbreviation of Firm], its Investment Advisor Representatives (“IARs”) and supervisory personnel and will update its policies and procedures accordingly.

## DUTIES OF THE CCO

Specific responsibilities and duties of the CCO shall include, but are not limited to, the following:

1. Annual Review

Reviewing the Firm's compliance policies and procedures at least annually (including any compliance matters that arose during the previous year) to determine the adequacy and effectiveness of the policies and procedures, and if necessary, updating the policies and procedures;

1. Interim Reviews

Conducting interim reviews in response to significant compliance events, changes in business arrangements and regulatory developments;

1. Compliance Training

Conducting compliance training for new and existing employees;

1. Testing and Monitoring Policies

Drafting procedures to document the monitoring and testing of compliance through internal audits; and,

1. Internal Assessment

Implementation of any policies needed to ensure that training and internal assessment procedures are updated to reflect changes in applicable laws, regulations, and administrative positions.

1. Proper Reporting

Any reported breach of Firm policy and procedure shall be followed up and resolved.

## WHO IS COVERED BY [FIRM NAME]’S COMPLIANCE PROGRAM?

A supervised person is any associated person of [Abbreviation of Firm] that dispenses or provides advice to clients or prospective clients. They are also any person with the capacity to affect a client’s accounts at a custodian in any fashion. Under our current operational structure all associated persons of [Abbreviation of Firm] will be considered a supervised person. A copy of this program outline and the policies derived under it will be provided to each supervised person. They will be required to acknowledge receipt and that they have read and understand the policies, procedures, and program manual on, at least, an annual basis. (See ***Acknowledgement*** Section above; also, ***Acknowledgement of Receipt and Acceptance*** in ***Appendix A***).

## AREAS OF COVERAGE OF THE COMPLIANCE PROGRAM

On an annual basis, the CCO will conduct a review of the business of [Abbreviation of Firm], the types of clients it has, the types of investments made on behalf of its clients, and any other activities [Abbreviation of Firm] may engage in on a regular basis.

In addition to the Compliance Program as described above, [Abbreviation of Firm] will conduct an annual review of the Firm’s policies and procedures to determine that they are adequate, current, and effective in view of the Firm’s businesses, practices, advisory services, and current regulatory requirements. Our policy includes amending or updating the Firm’s policies and procedures to reflect any changes in the Firm’s activities, personnel, or regulatory developments, among other things, either as part of the Firm’s annual review, or more frequently, as may be appropriate, and to maintain relevant records of the annual reviews. The purpose of this review is to consider any changes in [Abbreviation of Firm]’s activities, any compliance matters that have occurred in the past year and any new regulatory requirements or developments, among other things. Appropriate revisions of a Firm’s policies or procedures should be made to help ensure that the policies and procedures are adequate and effective.

* Procedures

[Abbreviation of Firm] has adopted procedures to implement the Firm’s policy and reviews to monitor and ensure the Firm’s policy is observed, implemented properly, and amended or updated, as appropriate and which include the following.

* Annual Review

On at least an annual basis, the CCO, and such other persons as may be designated, will undertake a complete review of all [Abbreviation of Firm]’s written compliance policies and procedures.

* Subjects of Review

The review will include an assessment of each policy to determine the following:

* Adequacy;
* Effectiveness;
* Accuracy;
* Appropriateness for the Firm’s current activities;
* Current regulatory requirements;
* Any prior policy issues, violations, or sanctions; and
* Any changes or updates that may otherwise be required or appropriate.

## COORDINATION OF REVIEW

The CCO, or designee(s), will coordinate the review of each policy with an appropriate person or officer to ensure that each of the Firm’s policies and procedures is adequate and appropriate for the business activity covered, e.g., a review of trading policies and procedures with the person responsible for the Firm’s trading activities.

* Revision of Policy

The CCO, or designee(s), will revise or update any of the Firm’s policies and/or procedures as necessary or appropriate and obtain the approval of the person, or officer responsible for a particular activity as part of the review.

* Prior Violations or Issues

The Firm’s annual reviews will include a review of any prior violations or issues under any of the Firm’s current policies or procedures. This will help the Firm to avoid similar violations or issues in the future.

* Maintain Copies

The CCO will maintain hardcopy or electronic records of the Firm’s policies and procedures as in effect at any particular time.

* Annual Compliance Review File

The CCO will also maintain a record for each year, which will include and reflect any revisions, changes, updates, and materials supporting such changes and approvals, of any of the Firm’s policies and/or procedures.

* Ad Hoc Reviews

The CCO or designee(s), will also conduct more frequent reviews of [Abbreviation of Firm]’s policies or procedures, or any specific policy or procedure, in the event of any change in personnel, business activities, regulatory requirements or developments or other circumstances requiring a revision or update.

* Risk Assessment

The CCO or designee will conduct a risk assessment of the Firm’s operation and update policies and procedures as warranted based on the findings of the risk assessment.

* Retention of Records

Relevant records of such additional reviews and changes will also be maintained by the CCO.

## REGULATORY INSPECTIONS

Firm are examined by the Office of Compliance Inspections and Examinations ("OCIE") of the SEC. OCIE conducts exams out of Washington D.C. and each of the SEC's 11 regional offices. On the first day of the examination, the Firm shall be prepared for representatives from the SEC/OCIE to ask about or for:

* a general overview of the Firm;
* the type of Firm clients;
* services provided by the Firm;
* investment strategies employed, and products offered, by the Firm;
* an overview of the marketing strategies and sales practices employed by the Firm;
* a general description of the Firm's compliance program; and
* an explanation of how the Firm values clients' assets and how the Firm charges its advisory fees.

When the SEC, state securities commission or other regulatory agency contacts or meets an employee of the Firm, the following procedures must be followed:

* Employee shall immediately inform the CCO about the matter;
* CCO shall arrange for the Firm to make available all documents requested by the examiner, provided such examiner has the legal right to examine such documents;
* CCO shall review prior to the arrival of the inspection staff:
	+ If a surprise visit, CCO should ask the SEC official(s) for: (i) proper identification, (ii) his or her authority to conduct the examination, and (iii) the purpose of the visit;
	+ CCO and any other Firm personnel chosen to assist the regulatory inspection team should be pleasant and cooperative;
	+ Information or copies of documents should be provided to the official only if the release of such information or documents has been cleared by the CCO;
	+ CCO will ensure that only those documents specifically requested by the regulatory inspection team are released to the regulatory inspection team;
	+ A representative of the Firm should accompany the regulatory inspection team at all times when the team is in the Firm's office(s), except in a room or rooms designated by the CCO as places where the team can perform their inspection;
	+ Without prior clearance from the CCO, no Firm employee may have substantive conversations with any member of the regulatory inspection team;
	+ Upon completion of the examination, CCO will ask a member of the SEC's inspection team the date when the examination will be completed. (Under the Dodd-Frank Act, the SEC has 180 days from the date of its document request to complete its examination of a registered investment adviser);
	+ The recipient of any letter or other correspondence from the inspecting regulatory authority must promptly forward such correspondence to the CCO;
	+ CCO in coordination with the inside or outside legal counsel of the Firm or third-party Compliance Consultant will review the correspondence from the inspecting regulatory authority and respond, if so required, in the appropriate manner prior to any deadline imposed by the inspecting authority; and
	+ If OCIE identifies deficiencies or weaknesses, the Firm will take steps to address and eliminate such deficiencies and weaknesses and memorialize the actions taken in a memorandum. If serious deficiencies are found, OCIE may refer the problems to the SEC's Division of Enforcement, or to a self-regulatory organization, state regulatory agency, or other regulator for possible action.

# REGISTRATION AND LICENSING - DELETE LANGUAGE IN THIS SECTION HIGHLIGHTED IN BLUE

## STATE NOTICE FILING REQUIREMENTS

At this time [Abbreviation of Firm] has been granted registration as an Investment Adviser with the U.S. Securities and Exchange Commission (“SEC”) and is required to notice file in each individual state in which it is required to do so under the state statutes. Unless otherwise permitted by regulation, [Abbreviation of Firm] may not solicit or render investment advice for any client domiciled in a state where [Abbreviation of Firm] is not properly notice filed.

## REGISTRATION OF INVESTMENT ADVISER REPRESENTATIVES

Investment Advisory Representatives (“IAR”) refer to the individual agents associated with [Abbreviation of Firm] who render investment advice on behalf of the Firm. In general, states require either of the following of IARs: (1) Sitting for and passing the FINRA brokerage exam Series 7 and the Investment Adviser Examination Series 66, or the Investment Adviser Exam Series 65; or (2) a professional designation (CFA, CFP, or ChFC, PFS, etc.).

In addition, state registration requirements for IARS vary by state and may include: 1) Form U-4 for the IAR; 2) fingerprints (unless current copy on file with the FINRA); 3) proof of examinations, and 4) filing fees to be submitted directly to the state (via [Abbreviation of Firm]’s FINRA Gateway Account). [Abbreviation of Firm] will ensure that each of its IARS is adequately registered prior to allowing investment adviser business to be conducted by its IARS - on behalf of [Abbreviation of Firm] – in the relevant jurisdiction. State registration of IARS will be made electronically via the FINRA Gateway system.

No employee may provide investment advice to any client until he or she has received notice from the CCO or his designee that he or she has been granted - as necessary - an investment adviser registration license/approval from the relevant state(s).

Each IAR must immediately notify the CCO in writing if any information required by their Form U4 becomes outdated. Depending upon what information has been updated, an amendment to the Form U4 may be required. If such an amendment is required, such filing will be submitted with the appropriate jurisdiction via the Firm Gateway.

It will be the responsibility of the CCO to ensure that, within thirty (30) calendar days of termination of any representative from [Abbreviation of Firm], a Form U-5 will be filed. The Firm will also provide the terminated representative with a copy of such Form U-5 within the same time frame. Any subsequent amendments to Form U-5 will also be filed within thirty (30) days of the Firm’s learning of the need for such amendments. Initial filings and amendments of Form U5 shall be submitted electronically via Firm Gateway.

## SUPERVISORY RESPONSIBILITY—STATE REGISTRATION

It is the responsibility of the CCO to be aware of the particular requirements of the states in which the Firm operates and to ensure that the Firm and its IARs are properly registered, licensed, and qualified to conduct business pursuant to all applicable laws of those states.

## THIRD PARTY - COMPLIANCE CONSULTANT

The Firm may retain third party consultants to assist in submitting all appropriate filings on the Firm’s behalf. The CCO will be responsible for ensuring such filing requirements are met. The CCO shall obtain confirmation from the outside consultant that all required filings are completed.

## ANNUAL RENEWAL/ANNUAL UPDATING AMENDMENT

The Firm must file (1) an annual renewal prior to year-end through FINRA Gateway, and (2) *annual updating amendment* via Firm Gateway within ninety (90) days after its fiscal year-end. If material changes are reported, the Firm must deliver, within 120 days of the of the end of the Firm’s fiscal year, to each client an updated Form ADV Part 2A and Form CRS that either includes the summary of material changes or is accompanied by a summary of material changes that includes an offer to provide a copy of the most updated Form Part 2A and Form CRS. The Firm will maintain a record of this action.

## FILING FEES

The state(s) to which [Abbreviation of Firm] is registered and has registered IARs may charge fees, which will be deducted from the Flex-Funding account. The CCO will be responsible for maintaining required balances with FINRA Gateway to facilitate the payment of registration fees for the Firm as well as annual renewal fees when they are due.

## HIRING AND TRAINING OF INVESTMENT ADVISOR REPRESENTATIVES

[Abbreviation of Firm] will have the responsibility and duty to ascertain by investigation the good character, business repute, qualifications, and experience of any person prior to making such a certification in the application of such person for association with [Abbreviation of Firm]. Where an applicant for registration has previously been registered with a broker/dealer or other investment adviser, [Abbreviation of Firm] will review the FINRA broker check or Investment Adviser Public Disclosure website for a complete list of industry associations and any disciplinary history.

The CCO will make reasonable efforts to confirm the information provided on any applicable Form U-4. On each pending application, the CCO will make note of the individuals who were contacted, if any, in order to obtain information concerning the employment history of the prospective employee. Any evidence of such reviews will be maintained in the individuals’ file.

Any confidential information obtained in the course of the Firm’s determination to hire a registered person or associated person shall be shredded when the information is no longer needed or no longer required to be retained.

## ENSURE PROPER REGISTRATION AND LICENSE

To qualify as an IAR, it is necessary for the individual to:

1. Examinations

Have passed all applicable state investment adviser representative examinations, unless the examination(s) has/have been waived; and

1. Registration

Unless exempt, be registered as an IAR of [Abbreviation of Firm] in all states as applicable. Passing an examination alone does not equate to licensure.

No IAR of [Abbreviation of Firm] shall provide investment advice to an advisory client unless registered in the client or prospective client’s state of residence, unless exempt from registration. Questions regarding registration requirements should be directed to the CCO.

## REPRESENTATIVE DISQUALIFICATION

[Abbreviation of Firm] shall not permit a disqualified person to become associated with [Abbreviation of Firm].

## RECORDS FOR ALL “ASSOCIATED PERSONS”

[Abbreviation of Firm] shall maintain employment files for all “associated persons” of [Abbreviation of Firm]. “Associated persons” are “any partner, officer, director, or branch manager of such adviser (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such adviser, or any employee of such adviser, except that any person associated with an adviser whose functions are solely clerical or ministerial shall not be included in the meaning of such term.”

[Abbreviation of Firm] will maintain the employment file for all “associated persons” as defined above. The CCO or a principal that he/she has designated shall maintain the associated/registered person files.

## UNREGISTERED SUPERVISED PERSONS

The CCO will monitor the activities of Unregistered Supervised Persons. Unregistered Supervised Persons may not conduct any investment advisory business without proper licensure. Unregistered Supervised Persons are authorized to only participate in the following:

Clerical or administrative matters concerning advisory client accounts;

Generally, discuss the services offered by the Firm;

Refer advisory clients to a Firm IAR for more specific information concerning their account(s); and/or

Provide prospective clients with Firm approved marketing brochure or materials.

Perform back-office functions.

~~Amended brochure or brochure supplement along with a statement describing the material facts relating to the change in the disciplinary information, or a statement describing the material facts relating to the change in disciplinary information.~~

## REVIEW AND AMENDMENTS TO FORM ADV AND FORM CRS

It is the responsibility of the CCO to review the Firm’s Form ADV on an ongoing basis to ensure that all information is current and accurate. [Abbreviation of Firm]’s Form ADV and Form CRS should be amended **promptly (within 30 days)** to correct inaccuracies, when discovered, in the following Items: 1, 2, 3, 4, 5, 8, 11, Schedule A and Schedule B of Part 1 of Form ADV and Form CRS.

## DISCIPLINARY DISCLOSURE

All material facts relating to legal or disciplinary events must be disclosed in writing to existing clients promptly after the legal or disciplinary event occurs.

## REQUIRED DISCLOSURES

[Abbreviation of Firm] must disclose any facts or circumstances which might reasonably impact [Abbreviation of Firm]’s or its affiliates’ ability to meet their contractual commitments to clients. Examples of information that must be disclosed include:

1. the likelihood of bankruptcy or insolvency;
2. an event that would occupy [Abbreviation of Firm]’s time so that its ability to manage client assets would be impaired; or
3. an event that is material to an evaluation of [Abbreviation of Firm]’s or its affiliates’ integrity or their ability to meet contractual commitments to clients.

## ~~SOLICITOR FEES -~~

## ~~GENERAL POLICY~~

*~~If Firm Does NOT have Solicitor/Referral Relationships –remove ‘OR,’ “Responsibility”, and ‘Procedures’ language below:~~*

~~The Firm does not compensate any third parties for client referrals. The Firm does not receive compensation for referring clients to any third parties.~~

~~OR~~

*~~If Firm DOES have Solicitor/Referral Agreement– INSERT following language:~~*

~~The Firm may compensate persons, i.e., individuals or entities, for the referral of advisory clients to the Firm provided appropriate disclosures and regulatory requirements are met (Solicitor Relationships). Any such fee will be paid solely from the Firm’s fees and will not result in any additional charge to the client.~~

## ~~RESPONSIBILITY~~

~~The CCO has the responsibility for the implementation and monitoring of cash solicitation policy, practices, client disclosures and recordkeeping.~~

## ~~PROCEDURES~~

1. ~~If the Firm intends to compensate directly or indirectly any third-party for client introductions or referrals, the Firm must comply with the following:~~
	1. ~~CCO will conduct due diligence on the potential Solicitor to determine whether the Solicitor is eligible to receive such compensation.~~ *~~Pursuant to the Rules, persons are ineligible to receive compensation for client solicitations or referrals if they are subject to a current Commission ban or suspension or have been convicted in the last ten years of a felony or misdemeanor involving, or found by the Commission to have engaged in, one of the unlawful acts of fraud, deceit and/or dishonesty listed thereunder.~~*
	2. ~~Amend the ADV, Part 1, Item 8, and Part 2A, Item 14, and Form CRS, accordingly, to allow for disclosure of the cash solicitation arrangements.~~
2. ~~The Solicitors Rule imposes the following additional requirements when using a third-party solicitor:~~
	1. ~~Enter into a written agreement (“Solicitation Agreement”) with the Solicitor which:~~

~~contains a description of the solicitation activities and compensation to be received;~~

~~represents that the Solicitor is not disqualified from acting as a solicitor;~~

~~requires that the Solicitor perform his/her activities in a manner consistent with the Firm’s instructions and the Rule;~~

~~furnish any prospective client with the Firm’s Disclosure Brochure;~~

* 1. ~~Solicitation agreement must require that, at the time of any solicitation activities, the solicitor provide the prospective client with a copy of:~~
		1. ~~a separate, written disclosure document containing, at least, the following information:~~
* ~~the names of the Solicitor and the Firm;~~
* ~~the nature of the relationship between the Firm and the Solicitor;~~
* ~~a statement that the Firm compensates the Solicitor for its services and the terms of such compensation; and,~~
* ~~the amount, if any, of extra cost to the client because they became a client of the Firm due to the introduction or referral by the Solicitor;~~
	+ 1. ~~required information that highlights the solicitor’s terms of the compensation arrangement between the Firm and the solicitor (the “solicitor disclosure document”);~~
	1. ~~Obtain a signed and dated Solicitor Disclosure Statement before or at the time of entering into any written or oral agreement with the clients; and,~~
	2. ~~Make a reasonable effort to ensure that the Solicitor fulfills its duties and responsibilities as set forth in the Solicitor Agreement.~~
1. ~~The Firm conducts periodic reviews to monitor and ensure the Firm’s policy is observed, implemented properly, and amended or updated, as appropriate.~~
2. ~~If any Associated Person has a question as to whether a proposed arrangement may involve the payment of a referral or finder’s fee or other questions regarding the application of this Policy, he or she should consult with the CCO before taking any action.~~
3. ~~Periodically, the CCO will review the Firm’s flow of money IN and OUT to decipher if any revenue arrangements prompt additional disclosure by a Firm or trigger concerns for any conflicts NOT currently disclosed in your ADV.~~

**~~STATE REQUIREMENTS~~**

~~Because laws regulating solicitors differ on a state-by-state basis, before engaging solicitors in or for a particular state, the CCO will determine if any corresponding filing, registration, and/or qualification requirements are applicable to the Firm and/or the solicitor, per the state requirements. If the Firm engages an individual in a state that requires that Solicitor to be registered, both the Firm and soliciting individual will suffer the regulatory consequences if the Solicitor is not appropriately registered. The majority of state securities regulators define the solicitation or referral of investment advisory clients as an investment advisory activity requiring the registration of the solicitor as an investment adviser or investment adviser representative. When considering a solicitor arrangement, the CCO will verify whether the intended solicitor’s activity is included under the state securities regulator’s definition of an investment adviser representative.~~

~~In many states, the act of recommending an investment adviser is considered providing investment advice, so a person receiving a solicitation fee has to register as an investment adviser representative. The solicitor bears the legal risk of referring business to an investment adviser for a fee.~~

## PRIVACY POLICY DISCLOSURES

At the inception of the client relationship, [Abbreviation of Firm] will deliver to the client a copy of its privacy notice, as set forth in the Privacy Policy section of this manual. If [Abbreviation of Firm] does not share nonpublic personal information with nonaffiliated third parties and has not changed its privacy policies and practices from the policies and practices that were disclosed in the most recent privacy policy sent to individuals, there is no requirement to provide the Privacy Policy to clients on an annual basis. Only if changes occur to the Privacy Policy will an updated Policy be delivered to clients notifying them of the change.

## FORM 13-H

An investment adviser who meets the definition of a “large trader” must register with the SEC by filing and periodically updating Form 13H through the SEC’s EDGAR system. The term “large trader” is defined as any person that:

directly or indirectly, including through other persons controlled by such person, exercises investment discretion over one or more accounts and effects transactions for the purchase or sale of any NMS security for or on behalf of such accounts, by or through one or more registered broker-dealers, in an aggregate amount equal to or greater than the identifying activity level; or

voluntarily registers as a large trader. NMS securities are generally U.S. exchange-listed securities, including equities and options.

Currently, “identifying activity level” means aggregate transactions in NMS securities that are equal to or greater than:

during a calendar day, either two million shares or shares with a fair market value of $20 million; or

during a calendar month, either twenty million shares or shares with a fair market value of $200 million. With respect to options, their volume and value for “identifying activity level” purposes are based on the underlying securities referenced (e.g., 500 XYZ call options would count as aggregate transactions of 50,000 shares in XYZ).

Investment advisers who meet the “large trader” definition must file an initial Form 13H within 10 days after effecting aggregate transactions equal to or greater than the identifying activity level. Additionally, all large traders must submit an annual filing of Form 13H within 45 days after the end of each full calendar year. If any of the information contained in a Form 13H filing becomes inaccurate for any reason, a large trader must file an amendment no later than the end of the calendar quarter in which the information became stale. Additionally, investment advisers who meet the “large trader” definition must disclose to the registered broker-dealers effecting transactions, on its behalf, its large trader identification number (“LTID”) and each account to which it applies.

## FORM 13D, 13F, 13G

If required, records and reports required by Section 13(d), 13(f) and 13(g) of the Securities Exchange Act of 1934 prepared and filed on a current basis. Form 13D reports are required for any person who acquires directly or indirectly beneficial ownership of more than 5% of any equity security with either the intent or effect of causing a change in control. The Firm may file Form 13G if it acquires more than 5% of any equity security without the purpose of changing or influencing control of the issuer. Form 13F is required to be filed by institutional managers with more than $100 million in securities of companies admitted to trading on a national securities exchange or quoted on the automated quotation system of a registered securities association, as provided in Section 13(f) of Securities Exchange Act of 1934.

## ~~LEAD GENERATION PROVIDER To be included only if applicable~~

~~Lead Generation providers (also known as solicitation, referral providers or endorsers) for investment services help connect you with “leads,” or potential clients.  Investment Advisor Representatives (IARs) are required to comply with Rule 206(4)-3 under the Investment Advisers Act of 1940, commonly known as the “Cash Solicitation Rule,” if:~~

* ~~an advisor pays a third party for a service that could result in leads, and that third party who refers prospects to an advisor (a “solicitor” or “endorser”) is visible to the prospect.~~
* ~~The Rule applies for any type of client whether the referral is done on a one-to-one basis or through a directory.~~
* ~~IARs may only engage with Lead Generation providers that are approved by Firm. These approved vendors and their business model have been reviewed by Firm. Based on this review, it is our understanding that the lead generation provider complies with the Cash Solicitation Rule. In addition, the Rule requires that the Firm have a formal agreement between Firm and the Lead Generation Provider.~~
* ~~As required by the Cash Solicitation Rule, you must have each client referred to you by a Lead Generation provider complete and sign the [insert name of appropriate form] prior to or at the time of account opening. IARs must retain a copy of each completed client acknowledgment form in accordance with the Firm’s record retention policies.~~
* ~~IARs are required disclose participation with any Lead Generation provider on the [Annual Attestations].~~

# REGULATION BEST INTEREST - BI

## GENERAL POLICY

Regulation Best Interest (“Reg BI”) applies only to recommendations to retail clients. Compliance with Reg BI requires meeting four obligations: *disclosure, care, conflict of interest, and compliance*. Form CRS (Client Relationship Summary) is intended to be a simple, easy-to-read summary regarding the nature of a retail client’s relationship with a financial professional, including: (i) the types of client relationships and services being offered; (ii) the fees, costs, conflicts of interest, and required standard of conduct associated with those relationships and services; (iii) whether the Firm and its financial professionals currently have reportable legal or disciplinary history; and (iv) how to obtain additional information about the Firm.

Form CRS for investment advisers will be required as new Part 3 of Form ADV and will be in addition to the disclosures already required in Parts 1 and 2 of Form ADV (including the narrative brochure). Delivery of Form CRS will be required at the beginning of the client relationship and within 30 days after the initial filing for existing clients and will be subject to SEC filing, updating, and related recordkeeping requirements. The SEC may use the information provided in Form CRS to manage its regulatory and examination programs. Form CRS will be made publicly available by the SEC and on a Firm ’s website if it has one.

## RESPONSIBILITY

The CCO has the responsibility for the implementation of Reg BI and maintaining the consistency of the disclosure language in the Form CRS.

## PROCEDURES

1. Regulation BI applies only to recommendations to retail clients\*.
2. Form CRS must be provided to clients when an account is opened (including additional accounts for existing clients). Form CRS is posted on the Firm’s website and updates must be provided to clients within 60 days of material updates.

*\* Retail client is defined as a “natural person, or the legal representative of such natural person, who: (i) receives a recommendation of any securities transaction or investment strategy involving securities from a broker, dealer, or a natural person who is an associated person of a broker or dealer; and (ii) uses the recommendation primarily for personal, family, or household purposes.” We note that the definition of “retail client” does not exclude high-net worth natural persons and natural persons that are accredited investors.*

### Compliance

The Firm conducts ongoing and annual reviews and training to achieve compliance with Regulation BI. The Firm may use a risk-based approach to documenting compliance with Reg BI. It is the responsibility of all associated persons to be familiar with these requirements and act in the client’s best interest at all times. Questions should be referred to the CCO.

The Form is provided or made available to clients as follows:

1. The Form is posted to the Firm’s website and is available in hard copy upon request at no charge.
2. Form CRS must be provided when:
* A new account is opened for a new client
* A new account is opened for an existing client
* A rollover is recommended from a retirement account into a new or existing account or investment
* A retail investor requests a copy and receives within 30 days)
1. Updates will be made and filed in the IARD system within 30 days of material changes. Updated summaries will be provided to clients within 60 days after material updates with changes highlighted. Updates may be provided electronically.
2. If the relationship summary is delivered electronically, it must be presented prominently in the electronic medium, for example, as a direct link or in the body of an email or message and must be easily accessible for retail investors. If the relationship summary is delivered in paper format as part of a package of documents, the relationship summary must be the first among any documents that are delivered at that time.
3. Dual registrants are required to deliver a relationship summary to retail investor clients of both the investment advisory and brokerage businesses.

## Training

IARs will receive training on “best interest” requirements initially and annually specifically communicating Firm culture, specific requirements of the Firm’s code of conduct and its conflicts management as highlighted on Form CRS.

## DISCIPLINARY HISTORY - REVIEW AND REPORTING ON FORM CRS

For continuous oversight and an effort to comply with an updated Form CRS, the CCO or designee will review the Firm’s disciplinary history to determine proper disclosure of Item 5 of the Form CRS. At least semi-annually or as deemed necessary, the CCO will review the firm’s disciplinary report on IARD. Documentation of review will be retained in Firm’s compliance file and prompt update of the Form CRS will be made, if warranted.

## Dual Registrants [only keep if dual registrants]

Dual registrants and affiliates are required to provide a Form CRS for both the broker-dealer and advisory relationships. The forms may be combined. Broker-dealers have an obligation to file Form CRS with FINRA’s CRD and advisers are required to file with IARD. If two separate relationship summaries are provided, reference and facilitating access to the other is required with equal prominence and at the same time, without regard to whether the particular retail investor qualifies for those retail services or accounts.

## Recordkeeping

Records of compliance with Regulation BI are maintained in accordance with recordkeeping rules. Records of Form CRS will be retained for six years after the earlier of the date that the account was closed or the date on which the information was collected, provided, replaced, or updated.

BOOKS AND RECORDS - DELETE LANGUAGE IN THIS SECTION HIGHLIGHTED IN BLUE

## RESPONSIBILITY

As a registered investment adviser, [Abbreviation of Firm] is subject to extensive and detailed requirements under the Advisers Act to create and preserve records relating to its activities, to transactions for client accounts, to personal securities transactions of its personnel, and to a variety of other matters. In addition to these requirements, [Abbreviation of Firm]’s books and records are also subject to the provisions of the Privacy Policy and Written Information Security Policy sections of this manual below.

It is not only important that the Firm’s records be accurate and complete, it is also essential that they be kept current at all times and that they be kept well-organized. [Abbreviation of Firm] is, at all times, subject to surprise examinations of its books and records by the SEC and other governmental authorities. It is the responsibility of the CCO to regularly review the Firm’s records and destroy any that have become obsolete. A record becomes obsolete when they are older than the required retention requirements (as further set forth below).

It is a violation of law to forge, falsify, tamper with, obliterate or prematurely destroy these records. Doing so could subject the personnel involved to criminal penalties, regulatory sanctions and/or termination of employment.

Any questions about these matters should be directed to the CCO.

**RETENTION REQUIREMENTS**

[Abbreviation of Firm] is required to keep and maintain certain books and records for the periods of time described in the Advisers Act of 1940, as amended.

## SPECIFIC RECORD KEEPING REQUIREMENTS

[Abbreviation of Firm] shall maintain the books and records, to the extent they apply, as itemized below:

* Cash Journal

A journal or journals, including cash receipts and disbursements records, and any other records of original entry forming the basis of entries in any ledger.

* Ledgers

General and auxiliary ledgers (or other comparable records) reflecting assets, liabilities, reserve, capital, income, and expense accounts;

* Buy/Sell Orders:

A record of each order given by the Firm for the purchase or sale of a security. Trade records are retained electronically and show the terms and conditions of the order (buy or sell) and shall:

* show any instruction, modification, or cancellation;
* identify the person connected with the Firm who recommended the transaction to the client;
* identify the person who placed the order;
* show the account for which the transaction was entered;
* show the date of entry;
* identify the bank, broker, or dealer by or through whom such order was executed; and,
* identify orders entered pursuant to the exercise of the Firm’s discretionary authority.
* Banking Records

Check books, bank statements, canceled checks, balance sheets, cash reconciliations;

* Bills and Statements

All bills or statements (paid and unpaid) relating to the business of [Abbreviation of Firm] as an investment adviser;

* Financial Statements

Trial balances, financial statements and internal audit working papers;

* Communications from Clients

Written communications received from clients (maintained electronically);

* Communications to Clients

Written communications sent to clients (copies);

* Advisory Clients and Accounts

A list of advisory clients and accounts over which [Abbreviation of Firm] has discretion;

* Discretionary Authorizations

Discretionary power authorization forms (executed);

* Ads

Advertisements, including copies of [Abbreviation of Firm]’s website;

* Holdings/Posting Page

A record of every transaction in a security in which [Abbreviation of Firm] holds a direct or indirect ownership interest (holdings/posting page);

* Disclosure Documents

Form ADV Part 2A, Form CRS, 2B and every amendment;

* Annual Disclosures

Summary of Material Changes, if applicable (include a list of clients/Fund investors who were sent the material changes of the Disclosure Document, and a list of those who requested copies of the Disclosure Document);

* Contracts

Written agreements entered into by [Abbreviation of Firm] (maintained for a period of not less than five (5) years after termination of relationship);

* Client Complaints

Client complaint file (maintain even if empty);

* Policies and Procedures

Copies of [Abbreviation of Firm]’s policies and procedures and any amendments thereto;

## ~~Performance Advertising Supporting Documents~~

~~All accounts, books, records and documents necessary to form the basis for calculation of performance or rate of return of managed accounts or securities recommendations in any Firm communications distributed to ten (10) or more persons; for example, if a Firm distributes performance numbers from the year 1996-2012, the Firm must maintain documents, i.e. brokerage statements from each client account included in the composite necessary to show the calculation for each return back to 1996. Thus, the five-year retention rule does not apply to performance advertising.~~

* Code of Ethics Policy

Copies of [Abbreviation of Firm]’s code of ethics currently in effect or that was in effect any time within the last five (5) years, including (a) records of any violations of the code of ethics and any actions taken as a result of the violations; (b) records of all written acknowledgements of receipt of the code of ethics for each person who is currently or has been within the last five (5) years a supervised person of [Abbreviation of Firm]; c) annual records of all written acknowledgements of compliance with the code of ethics for each person who is currently or has been within the last five (5) years a supervised person of [Abbreviation of Firm]; and (d) a list of all “access persons” together with records of all “access persons” during the last five (5) years.

* Personal Securities Transactions

Records of all Personal Securities Transactions for Code Persons as defined in [Abbreviation of Firm]’s ***Code of Ethics***, attached hereto as ***Appendix B***.

* + **List of Client Accounts – Opened and Terminated -** Maintain a list of these accounts and a check list of to-do items when both opened and terminated

## CORPORATE RECORDS

[Abbreviation of Firm] has a duty to maintain accurate and current “Organizational Documents.” The CCO has the responsibility for the implementation and monitoring of the Firm’s Organizational Documents policy, practices, and recordkeeping. The CCO or designee will periodically review the Organizational Documents to monitor and ensure the Firm’s policy is observed, implemented properly, and amended or updated, as appropriate.

As a matter of policy [Abbreviation of Firm]’s designated officer will maintain the Organizational Documents in a well-organized, secure and current manner at [Abbreviation of Firm]’s principal office. All Organizational Documents shall reflect current directors, officers, members, or partners, as appropriate. [Abbreviation of Firm]’s Organizational Documents will also be maintained for a period of not less than three (3) years after termination of [Abbreviation of Firm]’s existence. The Organizational Documents shall be maintained with reasonable access, the address of such location shall be communicated to the proper regulatory authority upon the required filing of Form ADV-W and any change in the location of such records will be promptly communicated to the proper regulatory authority.

Organizational Documents may include, but are not limited to, the following:

Organization Agreements and/or Articles of Organization

Charters

Minute books

Stock certificate books/ledgers

Organization resolutions

Any changes or amendment of the Organization Documents

## E-MAIL RETENTION

[Abbreviation of Firm] should maintain a record of all e-mails that pertain to advice being offered, recommendations being made, transactions executed, and orders received. When storing e-mail communication, the Firm will arrange and index such communication like any other electronically stored record and in accordance with its ***Written Information Security Policy*** (see below). This will be done in such a manner that permits easy location, access, and retrieval.

[Optional]: Currently, [Abbreviation of Firm] outsources its email archiving to [its broker dealer/custodian/administration/IT specialist].

The CCO will provide promptly any of the following, if requested by any regulatory authority:

A legible, true, and complete copy of an e-mail in the medium and format in which it is stored;

A legible, true, and complete printout of the e-mail; and

Means to access, view, and print the e-mail.

All such correspondence will be kept for a period of not less than five years. The CCO or his designee will review e-mail correspondence periodically, but no less than quarterly. Where a designee conducts the review, information on such reviews will be provided to the CCO, as required. The CCO or his designee will audit this process at least annually pursuant to SEC rule requirements.

## THE USE OF ELECTRONIC MEDIA TO MAINTAIN AND PRESERVE RECORDS

1. Permitted Use

[Abbreviation of Firm] is permitted to maintain all records electronically. Under current revisions, this requirement was expanded to include all records that are required to be maintained and preserved by any rule under the Advisers Act. In addition to storing documents in paper format, records required to be maintained and preserved may be immediately produced or reproduced from the cloud, a hard drive, server or back up of the external hard drive. The external hard drive is backed up periodically.

1. Optical Storage Technology Defined

An optical storage disk is a direct-access disk written and read by light. CD’s, CD-ROMs, DVDs, and videodisks are optical disks that are recorded at the time of manufacture and cannot be erased.

1. Requirements

When using an electronic storage format, [Abbreviation of Firm] must:

Maintain a duplicate backup copy of electronically stored books and records at an off-site location;

Arrange and index the records to permit prompt location of a particular record;

At all times, be ready to promptly provide to an examiner;

Verify the quality and accuracy of the storage media recording process;

Maintain the capacity to readily download indexes and records preserved on the media;

Maintain available facilities for the immediate and easily readable projection or production of the records;

Have in place an audit system providing for accountability regarding record inputting.

1. Access and Regulatory Requests

The Firm should be prepared upon request by any regulatory authority to promptly provide:

legible, true, and complete copies of these records in the medium and format in which they are stored, as well as printouts of such records; and

a means to access, view, and print the records.

1. Security

The CCO will inform all personnel with access to client records are not to leave their computers unattended unless they are turned off or secured in some appropriate manner. Also, The CCO will take the necessary steps to assure that whenever an employee leaves [Abbreviation of Firm] any password or code used to gain access to that employee’s computer system or e-mail is extinguished or changed.

## BRANCH OFFICE RECORDS

Generally, branch offices may not keep the following: books and records required to be maintained by [Firm Name], statements, books, internal working papers, and any other records that are necessary to form the basis for or demonstrate the calculation of performance or rate of return of any or all managed accounts, for the performance record of a Supervised Person while at a prior Firm.

Additionally, branch offices should be aware that regulators have the authority to inspect the books and records of the branch offices at any time. The CCO must be notified immediately if anyone at a branch office is contacted by a regulator.  Branch Offices only keep originals of required records when the branch has saved complete, legible electronic copies to the Firm’s server or cloud.  Branch Offices may keep duplicate copies of such records for client servicing purposes. In these cases, all original records must be forwarded to [Firm Name]’s principal office on a weekly basis or maintained on the Firm’s cloud.

## BRANCH OFFICES

Must promptly provide to the principal office all written records [Abbreviation of Firm] is required to maintain as specified throughout these Policies and Procedures. If original records are required, Supervised Persons in Branch Offices must forward the original record to the Firm’s principal office promptly, but generally no later than one (1) week from the creation or receipt of the record or immediately maintained on the Firm’s cloud

Must send business-related email communication through [Abbreviation of Firm]’s email system, which is captured and stored by the Firm.

Must make available, upon request, any material notes created by a supervised person in relation to a client.

Must always use the Firm’s most current approved version of Form ADV, Investor Profile and Questionnaire, Advisory Agreement(s) and Financial Consulting and Planning agreement when sending these documents to clients. Supervised Persons may not create local copies of these documents, as they may change at any time; Supervised Persons should instead pull the current version from the Firm’s cloud-based file system with each use. Additionally, Supervised Persons may not create customized or revised versions of these documents for the branch or Supervised Person’s use, unless an alternative version is authorized in writing by the CCO.

Must submit a record of any checks received onto the Firm’s check log in the Firm’s system, upon receipt. Receipt of checks made payable to clients or clients check payable to the client’s custodian are subject to [Abbreviation of Firm]’s custody policies and procedures (See ***Custody*** section).

May not distribute any marketing materials relating to [Abbreviation of Firm]’s advisory services unless those materials have been approved by the CCO per the Firm’s advertising policies (See ***Advertising*** section).

To avoid a conflict of interest, the following individuals may not conduct Branch inspections and/or reviews: a) the branch office manager of the office he or she manages; b) any person within a branch who has any supervisory responsibilities relating to the branch being inspected/reviewed; and c) any individual directly or indirectly supervised by (a) or (b) above when the branch in which they are housed is being inspected/reviewed.

## BRANCH INSPECTIONS

The CCO may conduct annual on-site inspections of branch offices, but no less than every three (3) years. Branch office inspections may encompass, but are not limited to, internal review activity as well as testing and verification of policies and procedures, including supervisory policies and procedures in the areas of:

1. safeguarding client funds and securities;
2. maintaining required books and records;
3. quarterly reporting records;
4. annual reporting records;
5. electronic communications;
6. data protection;
7. advertising and marketing;
8. internal records, including client complaints;
9. personal and client trading activity; and
10. validating client account information and disclosure deliveries.

Each branch office inspection must result in a written report kept on file for a minimum of five (5) years from the last entry into that record. The written report must address any findings or violations relating to the above policy areas and any other material violations.

The following procedures will be followed in documenting the branch inspection reports:

1. a copy of the branch inspection report will be given to the Branch Manager and other appropriate persons;
2. the CCO will maintain these reports and the Branch Manager will take corrective measures or direct corrective measures to be taken where required based on the reports;
3. the dates of the audit/review and the names of the individuals conducting the review will be included with each report;
4. the CCO is responsible for assisting the Branch Manager in following up on all suggested corrective and remedial actions to ensure that they have been put into place or that other alternative measures have been taken;
5. the CCO is also responsible for determining whether a particular branch location’s next audit/review date should be moved up, whether to undertake a surprise inspection or any other proactive compliance measures deemed appropriate based on the report; and
6. the CCO will maintain notes relating to the above and indications of all steps taken to confirm that required measures were taken.

## PROCEDURES AND RESPONSIBLE PARTY

The CCO is responsible for the general supervision of all Supervised Persons.

Supervised Persons are responsible for the reasonable supervision of the persons who report to him or her. In doing so, Supervised Persons may rely on these policies and procedures established by [Abbreviation of Firm].

For each new hire, the CCO or designee will collect information regarding the person’s disclosure history, conflicts of interest and securities holdings, as applicable. These new hire procedures may include:

* Provide and review the Code of Ethics and Compliance Manual;
* Obtain acknowledgement of receipt of the Code of Ethics and Compliance Manual;
* Collect a statement of outside business activities;
* Collect an initial holdings report if an Access Person (as defined in the Code of Ethics);
* File a Form U-4 if an Investment Adviser Representative (as defined under Registration) and prepare a Form ADV Part 2B supplement, as necessary;
* Respond to any compliance questions of the new hire.
* Collect a statement of Political Contributions

[Abbreviation of Firm] will maintain all required records produced by and/or received at branch offices.

[Abbreviation of Firm] will maintain copies of any documentation produced as part of a branch inspection.

# CLIENT REPORTING

The valuation of portfolio holdings impacts client portfolio reporting, fee calculation, and performance calculation processes. Investment advisers have a duty to clients to accurately report client account values and performance.

## GENERAL POLICY

1. [Abbreviation of Firm] policy is that portfolio reports provided to clients must reflect accurately the value of accounts managed. If [Abbreviation of Firm] is unable to obtain a readily available market value for a security, [Abbreviation of Firm] will disclose to the client the valuation method used for reporting and fee billing. If [Abbreviation of Firm] is unable to obtain a current value for a security, [Abbreviation of Firm] will disclose to the client the frequency of the valuation of the security.
2. [Abbreviation of Firm] generally purchases securities with readily available market prices for our clients, and [Abbreviation of Firm] will typically use the securities prices provided by the client’s custodian to value client account securities.
3. In certain circumstances, such as annuities held in client accounts, pricing is obtained from the annuity Firm or program sponsor.

## PROCEDURES AND RESPONSIBLE PARTY

1. Some or all of the following tasks may be outsourced to third-party providers capable of performing such functions. When third-party providers are used, the CCO will conduct periodic spot checks of services performed for accuracy and consistency.
2. The CCO or designee/third-party provider will:

Download daily client transactions and holdings from custodians, but no less than monthly;

Download daily price files from custodians, if applicable;

Reconcile accounts in the portfolio management system daily and resolve any discrepancies in a timely manner;

Manually reconcile accounts monthly for which daily downloads are unavailable;

Calculate client account and portfolio performance;

Calculate investment advisory fees or oversee the vendor that calculates the fee billing;

Generate reports for clients; and

Review all quarterly reports prior to distribution to the client and promptly correct any discrepancies.

## RECORDKEEPING

[Abbreviation of Firm] will maintain copies of any portfolio and/or performance reports provided to clients. [Abbreviation of Firm] will document the reasoning and sourcing of information used to determine the price of any overrides using third-party sources.

# ADVISORY FEE BILLING PRACTICES

Investment advisers have a duty to bill clients accurately per the terms of the investment advisory agreement and to refund any pre-paid, unearned fees.

## GENERAL POLICY

[Abbreviation of Firm] policy is that the advisory fees charged to the client will be calculated accurately and consistent with the client’s fee rate in the investment advisory agreement.

[Abbreviation of Firm] policy is to disclose the Firm’s standard fee schedule to clients and prospective clients in ADV 2A and Form CRS and to record the client’s specific fee, including any agreed-upon fee concessions, in the investment advisory agreement.

Advisory fees are calculated as a percentage of the assets under management and are taken [quarterly or monthly], based upon the [average daily balance or market value] of the assets at the end of that calendar [quarter or month]. The first payment is due upon acceptance of the advisory agreement and shall be based upon the opening value of the client’s account. The first payment shall be prorated to cover the period from the date the account opened through the end of the next full calendar [quarter or month]. Additional assets received into the account after it is opened may be charged a pro-rata fee based upon the number of days remaining in the [quarter or month].

[Abbreviation of Firm] reserves the right to negotiate fees with clients and may charge lower fees than the maximum fee described in the Firm’s brochure.

The Advisers Acts prohibits [Abbreviation of Firm] from entering into any arrangement involving a sharing of its advisory fee with any person unless the arrangement complies with Rule 206(4)-3. [Abbreviation of Firm]’s current brochure states that [Abbreviation of Firm] may not enter into such arrangements. No person shall enter into an arrangement for a share of [Abbreviation of Firm]’s advisory fee.

Clients receive notice of [Abbreviation of Firm]’s management fees on the account statements sent to them by the custodian or by invoice if applicable.

For most accounts, the client has provided written authorization to [Abbreviation of Firm] to debit the client’s account directly for the advisory fee. For the remaining accounts, [Abbreviation of Firm] sends an invoice to the client and the client sends [Abbreviation of Firm] a check.

~~For wrap and separate account program accounts not managed by “silo” offices, the Accounting Department will debit client accounts for the management fees, and the CCO or designee will review a sampling of fees for accuracy.~~

Clients will only be billed, and their accounts debited once the daily reconciliation is completed without any discrepancies and security prices have been reviewed. This policy is intended to prevent billing errors based on errors in client portfolio values in the Firm’s portfolio accounting system.

For accounts that terminate, [Abbreviation of Firm] will prorate the fee to the effective date of termination. [Abbreviation of Firm] will debit any earned portion from the client’s account(s) or bill the client, depending on the terms of the investment management agreement. The effective date of termination will be set according to the terms of the advisory agreement and/or any special instructions from the client.

## PROCEDURES AND RESPONSIBLE PARTY

For accounts for which [Abbreviation of Firm] calculates the fee, Supervised Persons or outsourced vendor will first complete the reconciliation and valuation process as described above.

Prior to debiting client accounts or invoicing the client, the CCO or designee will review a sample to ensure that the fee calculations are accurate.

CCO will adhere to the following procedures:

1. Confirm that the service provider has priced and reconciled all client accounts;
2. Review a sampling of fee calculations performed by service provider to confirm accuracy prior to an invoice being sent to a client or the client’s account being debited;
3. Maintain all necessary records documenting the fees billed to clients.
4. Ensure that billing reviews will be done for all new accounts, and all accounts with unique or unusual circumstances, and on a sampling basis for all other accounts;
5. Provide approval to the service provider of the fee calculation, which the service provider requires before it will debit client accounts;
6. Promptly resolve any discrepancies;
7. Confirm fee refunds for terminated clients are accurately calculated and promptly refunded, maintain record of refunds;
8. Review fees received against fees billed; and
9. Maintain necessary records documenting the fees billed to client, and records of all reviews performed.

**[Please delete this section if not applicable]** ~~Each IAR of the Firm will be responsible for the accurate billing of clients under a consulting agreement. The IAR will adhere to the following:~~

1. ~~Confirm that the fee calculation is consistent with the terms of the agreement;~~
2. ~~Forward all checks received to the Accounting Department for deposit;~~
3. ~~Keep complete and accurate records of fees invoices, and checks received.~~

The Accounting Department either effects the debits to clients’ accounts or sends the invoice to the client.

The CCO reviews random selection of fee calculations and fees received each billing period.

The CCO or designee will maintain clear and accurate records of the open date and termination date of all client accounts from which fees are debited or are billed via invoice.

The CCO or designee is responsible for confirming that terminated clients receive any applicable refunds promptly.

## RECORDKEEPING

The CCO or designee will maintain records documenting the fees billed to clients, fees received, invoices sent to clients, refunds calculated and any other applicable documentation.

## DOUBLE DIPPING POLICY RESTRICTION

If the Firm or an associated person of the Firm, has a current, or previous relationship as a broker, the Firm is responsible for developing a systematic process to prevent “double dipping” or when a financial professional, such as a registered representative, places commissioned products into a fee-based account and then makes money from both the commission and the fee.

It is discouraged that financial professionals participate in activities that result in the earning of a commission and advisory fee on the same assets within a comparable time period. It is recommended that the Firm use an aging system “burn off period” in which certain assets or proceeds may be deemed ineligible for deposit into a managed account for one, two or three years following the generation of commissions paid by the client and received by the associated person.

# CUSTODY

There are rules that set forth extensive requirements regarding possession or custody of client funds or securities. In addition to the provisions of these rules, many states impose special restrictions or requirements regarding custody of client assets.

## RESPONSIBILITY

[Abbreviation of Firm] does not maintain possession or custody of client funds or securities.

[Abbreviation of Firm] does maintain possession or custody of client funds or securities with Standing Letters of Authorization (“SLOA”), follows guidelines of *SEC no action letter* and is **not** subject to custody surprise exam.

[Abbreviation of Firm] does maintain possession or custody of client funds or securities will be subject to surprise exams.

## DEDUCTION OF ADVISORY FEES FROM CLIENT ACCOUNTS

The Firm’s advisory fees are debited directly from the client accounts. Payment of the fees will be made by the qualified custodian, as that term is defined below, holding the client’s funds and securities. In all such cases, the client must provide written authorization permitting the fees to be paid directly from their account. The Firm will not have access to client funds for payment of fees without client consent in writing. Further, the qualified custodian must agree to deliver a quarterly account statement directly to the client, and never through the Firm. The Firm will have access to a duplicate copy of the statement that was delivered to the client in order to form a reasonable belief that such statements are delivered to the client.

## INADVERTENT RECEIPT OF FUNDS OR SECURITIES

It shall be [Abbreviation of Firm]’s policy to return the client’s funds or securities to the sender without assuming custody. If [Abbreviation of Firm] inadvertently receives client funds or securities, [Abbreviation of Firm] will immediately take the following steps to correct this action:

[Abbreviation of Firm] will make a record of the receipt of client funds in *[Abbreviation of Firm]’s Funds Received – Forwarded Log*. A notation of the receipt of the funds received including the name of the person who received the funds, client name, date received, amount of the funds as well as the date the funds were returned to the sender and how they were returned will be made in *[Abbreviation of Firm]’s Funds Received – Forwarded Log.*

[Abbreviation of Firm] will not take possession of client securities/certificates. The Firm may provide an appropriate envelope to the client for transmittal for client securities.

When [Abbreviation of Firm] inadvertently receives funds, a photocopy of the check received will be made and placed in the client’s file.

[Abbreviation of Firm] will return the funds to the sender with a letter of instruction on how and where the sender should forward funds in the future. [Abbreviation of Firm] will return such funds by US Mail, registered, return receipt requested or by courier service within three business days of receipt of the funds.

[Abbreviation of Firm] will keep a copy of the cover letter and the return receipt/courier notice in the client file.

## RECEIPT OF THIRD-PARTY FUNDS

If [Abbreviation of Firm] receives a check from a client payable to a third party, [Abbreviation of Firm] will make a photocopy of the check, issue a receipt to the client, and then forward the check directly to the third party. A copy of the check and the receipt are kept in the client file and logged in the Check Received Log.

## DEFINITION OF QUALIFIED CUSTODIANS

Qualified custodians include the types of financial institutions that clients and advisers customarily turn to for custodian services. These also include banks and savings institutions, registered broker-dealers, and registered futures commission merchants among others.

## NOTICE OF QUALIFIED CUSTODIAN

If [Abbreviation of Firm] opens an account with a qualified custodian on behalf of Firm clients, [Abbreviation of Firm] will notify the clients in writing of the qualified custodian’s name, address, and manner in which the client funds or securities are maintained promptly when the account is opened and following any changes to this information.

## ACCOUNT STATEMENTS

[Abbreviation of Firm] will arrange for the client’s qualified custodian to send quarterly account statements (“Account Statement”) containing at least the information required by the applicable SEC and State rules directly to the client (and not through an adviser). [Abbreviation of Firm] may instruct the client to request that a copy of the quarterly accounting statements be sent to [Abbreviation of Firm]. The Firm may, as agreed upon with clients, prepare and distribute to clients a separate report that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance (“Supplemental Reports”).

## RESPONSIBILITY

The CCO is responsible for having a reasonable belief, after due inquiry, that the client’s custodian will deliver Account Statements directly to the clients at least quarterly. The CCO is also responsible for ensuring that the Firm transmits accurate Supplemental Reports where agreed upon with clients.

## PROCEDURES

Where the Firm has agreed to prepare Supplemental Reports, the Firm’s will prepare each Supplemental Report as agreed to with the client regarding their frequency and content.

## SUPPLEMENTAL REPORT DISCLOSURE

If the Firm opens custodial accounts on behalf of its clients, the Firm must include in the original notification provided to the client and in any subsequent Supplemental Reports it sends, a statement urging the client to compare the Account Statements from the custodian with the Supplement Reports from the Firm.

## ADDRESS CHANGES

Typically, whenever a client requests a change of address, the Custodian sends out a letter or email verifying the change of address to the client at both the old and new address. The IAR is responsible for ensuring that his/her client mailing database contains current addresses.

## BOOKS AND RECORDS

In its books and records, the Firm will maintain each Supplemental Report sent by the Firm to clients as well as a copy of any mailing sent to a client confirming a change of address.

## DEFINITION OF INDEPENDENT REPRESENTATIVE

An independent representative is defined as a person that;

acts as agent for an advisory client and by law or contract is obligated to act in the best interest of the advisory client;

does not control, is not controlled by, and is not under common control with the Firm; and

does not have and has not had within the past two years a material business relationship with the adviser.

## USE OF AN INDEPENDENT REPRESENTATIVE

In the event the client does not wish to receive account statements, [Abbreviation of Firm] will require the client to submit such request in writing. The client at that time must designate an independent representative to receive those statements. A record of such request will be kept in the client’s file.

## SUPERVISED PERSON AS TRUSTEE

The SEC views an advisory Firm or an employee that serves as a trustee as having custody. However, the role of the supervised person as trustee will not be imputed to the advisory Firm if the supervised person has been appointed as trustee as a result of a family or personal relationship with the grantor or beneficiary and not as a result of employment with the adviser. A similar analysis would apply where the supervised person serves as the executor to an estate as a result of a family or personal relationship with the deceased. A personal relationship developed as a result of providing advisory services to a client over many years is not the type of “personal relationship” contemplated by the SEC.

In the 2013 Custody Risk Alert from the SEC, the alert describes the failures by advisers to recognize they have custody. The role of employees or related persons that serve as trustee or have been granted power of attorney for client accounts was the number one custody issue.

It is the Firm’s policy that neither the Firm, nor any employee or supervised person will act as a trustee except in situations where there is a clear prior personal relationship.

## STANDING LETTERS OF AUTHORIZATION

[Option 1]: [Abbreviation of Firm] does not use Standing Letters of Authorization (“SLOAs”).

[Option 2]: [Abbreviation of Firm] allows Clients to use Standing Letters of Authorization (“SLOAs”).

According to Rule 206(4)-2, (“Custody Rule”), [Abbreviation of Firm] is deemed to have custody of clients’ funds or securities when clients have standing letters of authorization (“SLOA”) with their custodian to move money from a client’s account to a third-party and under that SLOA authorize [Abbreviation of Firm] to designate the amount or timing of transfers with the custodian. The SEC says: *an investment adviser with power to dispose of client funds or securities for any purpose other than authorized trading has access to the client’s assets*.

However, the SEC would not recommend enforcement action under the Custody Rule against an investment adviser if that adviser does not obtain a surprise examination where it acts pursuant to such an arrangement under the following circumstances:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
2. The client authorizes the investment advisor, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client’s qualified custodian.
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
6. The investment adviser maintains records showing that the third-party is not a related party of the investment adviser or located at the same address as the investment adviser.
7. The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

[Abbreviation of Firm]’s qualified custodian controls all of the circumstances above, except for Number 6, which must be confirmed and maintained by [Abbreviation of Firm]. Specifically, in the event [Abbreviation of Firm] is not related to the third-party or located at the same address as [Abbreviation of Firm] and in order to show it is not subject to a surprise examination, [Abbreviation of Firm] will maintain records documenting this.

# MONITORING OF INDEPENDENT MANAGERS

## GENERAL POLICY

If applicable, it is the Firm’s policy to monitor other investment advisers who, at the recommendation or direction of the Firm:

act as independent managers for the Firm’s clients or

sponsor investment management programs that the Firm’s clients may utilize (collectively referred to as “Independent Managers”) for compliance with the Rules.

## RESPONSIBILITY

The CCO or designee is responsible for approving the initial and continued use of a particular Independent Manager by the Firm.

Once approved for use by the CCO or designee, the Firm is responsible for monitoring the Independent Manager with respect to the provision of those specific services for which the Firm recommended or engaged such Independent Manager.

## PROCEDURES

Independent Managers will be nominated to the CCO or designee as necessary. Before initially approving an Independent Manager for use by clients of the Firm, the CCO will maintain a due diligence file on the Independent Manager. The due diligence file should contain the Independent Manager’s disclosure documents, and any other information that the CCO deems necessary.

The Firm will periodically reassess whether the Independent Manager’s services are adequate based on factors the Firm deems relevant and whether the Firm will continue to recommend or engage a particular Independent Manager. This information will be communicated to the CCO periodically, but no less that annually, so the CCO may consider such information when confirming whether the Firm should continue to use or recommend such Independent Manager for its clients.

The CCO will periodically reassess the continued use of each Independent Manager as a suitable choice for the Firm’s clients based on criteria the CCO deems relevant. These criteria will include, at a minimum, an annual review of the Firm’s evaluation of the Independent Manager, a review of the Independent Manager’s disclosure documents, and any other material information reasonably available to the CCO which address the Independent Manager’s ability to operate its advisory business or provide quality services to the Firm’s clients.

## BOOKS AND RECORDS

In its books and records, the Firm will maintain documents evidencing the selection, review, and monitoring of Independent Managers.

# ANTI-MONEY LAUNDERING

## GENERAL POLICY

The Firm, as a matter of policy, will not be party to any transaction and will not facilitate any transaction with any person(s) or entity(ies) (*Prohibited Person*) listed on the web site maintained by the Office of Foreign Assets Control ([www.treas.gov/ofac](http://www.treas.gov/ofac)) relating thereto. The Firm relies on the account review done through [Firm Name]’s qualified custodian to provide compliance with AML provisions. If the Firm learns that any *Prohibited Person* is, or is attempting to become, involved in any transaction with respect to the services which the Firm provides, the Firm shall immediately report such transaction to the Office of Foreign Assets Control.

## TRAINING

The Firm will conduct on-going AML training for its employees that will take place in conjunction with the training provided the Firm. The qualified custodian for the client will also perform the AML check with OFAC and FinCEN.

# PROXY VOTING/CLASS ACTION LAWSUITS

## PROXY VOTING

**(OPTION 1 IF PROXIES ARE NOT VOTED)**

Without exception, [Abbreviation of Firm] does not vote proxies on behalf of clients. Clients will receive proxy material directly from the custodian holding the client’s account. [Abbreviation of Firm] personnel may answer client questions regarding proxy-voting matters in an effort to assist the client in determining how to vote the proxy. However, the final decision of how to vote the proxy rests with the client. All proxy materials received inadvertently by the Firm on behalf of a client account are to be sent directly to our client or a designated representative of the client, who is responsible for voting the proxy. The proxy materials will be sent via Certified Mail, return receipt requested.

If at any time in the future [Abbreviation of Firm] chooses to allow the voting of proxies on behalf of clients, as a fiduciary it must vote proxies in the best interests of clients. According to the Advisers Act, if an adviser votes proxies on behalf of clients, the adviser must satisfy the following requirements:

Adopt and implement written proxy voting policies and procedures reasonably designed to ensure that the investment adviser votes clients securities in the best interests of the clients and addressing how conflicts of interest are handled.

Disclose its proxy voting policies and procedures to clients and furnish clients with a copy of these policies and procedures if requested.

Inform clients as to how they can obtain information from the investment adviser on how their securities were voted; and

Retain required records.

## CLASS ACTION LAWSUITS

[Abbreviation of Firm] does not take any action or render any advice as to materials relating to any class action lawsuit involving a security held in a client’s account. [Abbreviation of Firm] will promptly forward to the Client via Certified Mail, return receipt requested, any such class action lawsuit materials for direct action by the Client.

**(OPTION 2 IF PROXIES ARE VOTED)**

The purposes of these proxy policies and procedures are to set forth the principles, guidelines, and procedures by which the Firm votes the securities owned by its clients for which the Firm exercises voting authority and discretion (“Proxies”). These policies and procedures have been designed to ensure that Proxies are voted in the best interests of our clients in accordance with our fiduciary duties and Rule 206(4)-6 under the Investment Advisers Act of 1940 (the “Advisers Act”). [Abbreviation of Firm] authority to vote Proxies is established by investment management agreements or comparable documents with our clients, and our proxy voting guidelines have been tailored to reflect these specific contractual obligations. In addition, [Abbreviation of Firm] proxy guidelines reflect the fiduciary standards and responsibilities for ERISA accounts set out in Department of Labor Bulletin 94-2. These policies and procedures do not apply to any client that has explicitly retained authority and discretion to vote its own Proxies or delegated such authority and discretion to a third party. These policies and procedures apply to all Clients that have delegated such authority and discretion to the Firm.

## PROXY VOTING PROCEDURES

The guiding principle by which the Firm votes on all matters submitted to security holders is the maximization of the ultimate economic value of our clients’ holdings. The Firm does not permit voting decisions to be influenced in any matter that is contrary to, or dilutive of, this guiding principle. It is our policy to avoid situations where there is any material conflict of interest or perceived conflict of interest affecting our voting decisions.

It is the general policy of the Firm to vote on all matters presented to security holders in any Proxy, and these policies and procedures have been designed with that in mind. However, the Firm reserves the right to abstain on any particular vote or otherwise withhold its vote on any matter if in the judgment of the Firm, the costs associated with voting such Proxy outweigh the benefits to clients, or if the circumstances make such an abstention or withholding otherwise advisable and in the best interests of our clients, in the judgment of the Firm.

For clients that have delegated to the Firm the discretionary power to vote the securities held in their account, the Firm does not generally accept any subsequent directions on matters presented to shareholders for a vote, regardless of whether such subsequent directions are from the client itself or a third party. The Firm views the delegation of discretionary voting authority as an “all-or-nothing” choice for its clients.

## PROXY VOTING RESPONSIBILITIES AND PROCESS

The CCO or designee will ordinarily review all Proxies on behalf of the Firm. The following procedures will be followed with respect to each Proxy received by the Firm:

1. The CCO or designee will review the Proxy and each matter to be voted therein. The CCO or designee will determine whether a matter to be voted is covered in the “Proxy Guidelines” below.
2. If a matter to be voted is covered in the Proxy Guidelines and the relevant Guideline provides affirmative guidance as to how the matter should be voted, the CCO or designee may vote the matter in accordance with the Guideline and no further action shall be necessary.
3. If, however:
4. the matter is not covered in the Proxy Guidelines or
5. the matter is covered in the Proxy Guidelines but
* the Guidelines do not give affirmative guidance as to how the matter should be voted or
* the CCO or designee determines to recommend that the matter be voted in a manner inconsistent with the Guidelines (including a proposed abstention or withheld vote), then the CCO or designee shall submit the Proxy for review as to whether a material conflict of interest exists with respect to the Firm’s voting of the Proxy. Matters described in (a) and (b) are referred to herein, collectively, as “Further Action Matters”.
1. The CCO shall, in accordance with “Conflicts of Interest” below, review each Further Action Matter submitted to determine whether a material conflict of interest exists between the Firm and the relevant advisory client arising out of the provision of certain services or products by the Firm to the issuer on whose behalf the Proxy is being solicited or any other relevant material conflict of interest.
2. If the CCO determines that no material conflict of interest exists with respect to the Further Action Matter, then shall inform relevant parties as such, and the Firm may either:
3. vote the Further Action Matter according to recommendations or
4. if required additional guidance, arrange for a special meeting to consider, and determine how the matter should be voted.
5. If, however, the CCO determines that a material conflict of interest does exist with respect to the Further Action Matter, then the following procedures shall be followed:
6. If the CCO’s or designee’s recommendation as to how the Further Action Matter should be voted is contrary to the recommendation of management of the issuer, then the CCO or designee may vote the Proxy as such, and no further action is necessary.
7. If, however, the CCO’s or designee’s recommendation as to how the Further Action Matter should be voted is consistent with management’s recommendation, then the Firm shall consider and determine how the matter should be voted in accordance with paragraph 7 below.
8. A Further Action Matter shall be submitted to the appropriate parties in the circumstances described in 6(ii) above (i.e., the matter involves a material conflict of interest and the CCO’s or designee’s recommendation is to vote with management) or at any other time others involvement is called for hereunder. As part of its deliberations, the relevant parties will review, as applicable, a description of the proposed vote and relevant Proxy materials; data concerning clients’ holdings in the relevant issuer; information pertinent to the determination, if any, of the CCO as to the presence of a material conflict of interest; the vote, if any, indicated by the Proxy Guidelines on the matter and the rationale of other relevant parties as to the recommended vote; and any other information deemed relevant. After review, a voting decision will be arrived at based on the guiding principle of seeking the maximization of the economic value of our clients’ holdings. It may be determined to override the Proxy Guidelines and/or vote with management only if determined, in its reasonable judgment that such a vote would be in the best interests of the client. Deliberations and decisions will be appropriately documented, and such records will be maintained by the CCO.

In circumstances where a committee is not involved in determining the vote on a Further Action Matter, the CCO or designee shall retain records of documents material to the determination as to how the matter was voted.

## CONFLICTS OF INTEREST

The Firm recognizes that there is a potential conflict of interest when the Firm votes a Proxy solicited by an issuer with whom we have any material business or other relationship that may affect how we vote on the issuer’s Proxy, including, for example, an issuer whose retirement plan the Firm manages.

The Firm is expected to perform the tasks relating to the voting of Proxies in accordance with the principles set forth above, according the first priority to the economic interests of the Firm’s clients. If at any time the Firm or any other employee becomes aware of any potential or actual conflict of interest or perceived conflict of interest regarding the policies and procedures described herein or any particular vote on behalf of any client, he or she should contact the CCO. If anyone in the Firm is pressured or lobbied either from within or outside of the Firm with respect to any particular voting decision, he or she should contact the CCO.

## PROXY GUIDELINES

The Firm uses an independent, third-party vendor to implement its Proxy Voting process as the Firm’s Proxy Voting Agent. In general, whenever a vote is solicited, the third-party vendor will execute the vote according to the Firm’s Voting Guidelines (which generally follow its recommendations).

## VOTING PROCEDURES

The Firm has developed the following procedures to aid the voting of Proxies according to the Proxy Voting Guidelines. The Firm may revise these procedures from time to time, as it deems necessary or appropriate to affect the purposes of this Policy.

1. The Firm will use an independent, third-party vendor, to implement its Proxy Voting Process as the Firm’s Proxy Voting Agent. This retention is subject to the Firm continuously assessing the vendor’s independence from the Firm and its affiliates, and the vendor’s ability to perform its responsibilities (and, especially, its responsibility to vote client proxies in accordance with the Firm’s Proxy Voting Guidelines) free of any actual, potential or apparent material conflicts of interests that may arise between the interests of the vendor, its affiliates, the vendor’s other clients and the owners, officers or employees of any such Firm and the Firm’s clients. As means of performing this assessment, the Firm will require various reports and notices from the vendor, as well as periodic audits of the vendor’s voting record and other due diligence.
2. The Proxy Vendor will provide Proxy analysis and record keeping services in addition to voting Proxies on behalf of the Firm in accordance with this Policy.
3. The Firm will receive Proxy material information from the Proxy Vendor. This will include issues to be voted upon, together with a breakdown of holdings for the Firm’s accounts.
4. Whenever a vote is solicited, the Proxy Vendor will execute the vote according to the Firm’s Voting Guidelines which generally follow its recommendations as set forth. If the proxy vendor is unsure how to vote a particular proxy, it will issue a request for voting instructions to the Firm over a secure website.
5. Each time that Proxy Vendor sends the Firm a request to vote; the request will be accompanied by the recommended vote determined in accordance with the Firm’s Voting Guidelines. The Proxy Vendor will vote as indicated in the request unless the client has reserved discretion, the Firm determines that the best interest of clients requires another vote, or the proposal is a matter as to which the Firm affords special, individual consideration, as described above. In such situations, the Proxy Vendor will vote based on the direction of the client or the Firm, as the case may be. The interests of the Firm’s Taft Hartley or Socially Responsible clients may impact a proposal that normally should be voted in a certain way.
6. The Proxy Vendor will have procedures in place to ensure that a vote is cast on every security holding maintained by the Firm on which a vote is solicited unless otherwise directed by the Firm. On a yearly basis, or as required by our clients the Firm will receive a report from the Proxy Vendor detailing the Firm’s voting for the previous period.

The proxy statement is designed to be responsive to the wide range of subjects that can have a significant effect on the investment value of the securities held in our clients’ accounts. However, the Firm reserves the right to depart from these guidelines in any particular instance in order to avoid voting decisions that may be contrary to the clients’ best interests. In reviewing the Proxy Vendor recommendations on Proxy issues, the Firm will apply the following policies:

## ELECTIONS OF DIRECTORS

In many instances, election of directors is a routine voting issue. Unless there is a Proxy fight for seats on the board or we determine that there are other compelling reasons for withholding votes for directors, we will vote in favor of the management proposed slate of directors. That said, we believe that directors have a duty to respond to shareholder actions that have received significant shareholder support. We may, for example, withhold votes for directors that fail to act on key issues such as failure to implement proposals to declassify boards, failure to implement a majority vote requirement, failure to submit a rights plan to a shareholder vote and failure to act on tender offers where a majority of shareholders have tendered their shares. In addition, we may also withhold votes for directors who fail to attend at least seventy-five percent of board meetings within a given year without a reasonable excuse.

## APPOINTMENT OF AUDITORS

The selection of an independent accountant to audit a company’s financial statements is generally a routine business matter. The Firm believes that management remains in the best position to choose the accounting Firm and will support management’s recommendation, except that we may vote against the appointment of auditors if the fees for non-audit related services are disproportionate to the total audit fees paid by the company or there are other reasons to question the independence of the company’s auditors.

## CHANGES IN CAPITAL STRUCTURE

Changes in a company’s charter, articles of incorporation or by-laws are often technical and administrative in nature. Absent a compelling reason to the contrary, the Firm will cast its votes in accordance with the company’s management on such proposals. However, we will review and analyze on a case-by-case basis any non-routine proposals that are likely to affect the structure and operation of the company of have a material economic effect on the company. For example, we will generally support proposals to increase authorized common stock when it is necessary to implement a stock split, aid in a restructuring or acquisition or provide a sufficient number of shares for an employee savings plan, stock option or executive compensation plan. However, a satisfactory explanation of a company’s intentions must be disclosed in the proxy statement for proposals requesting an increase of greater than one hundred percent of the shares outstanding. We will oppose increases in authorized common stock where there is evidence that the shares will be used to implement a “poison pill” or another form of anti-takeover device, or if the issuance of new shares could excessively dilute the value of the outstanding shares upon issuance.

## CORPORATE RESTRUCTURINGS, MERGERS AND ACQUISITIONS

The Firm believes Proxy votes dealing with corporate reorganizations are an extension of the investment decision. Accordingly, we will analyze such proposals on a case-by-case basis, heavily weighing the views of the research analysts that cover the company and the investment professionals managing the portfolios in which the stock is held.

## PROPOSALS AFFECTING SHAREHOLDER RIGHTS

The Firm believes that certain fundamental rights of shareholders should be protected. We will vote in favor of proposals that give shareholders a greater voice in the affairs of the company and oppose any measure that seeks to limit those rights, except that we will vote against a proposal if we believe that that any adverse economic impact of the proposal on shareholders outweighs any improvement in shareholder rights.

## CORPORATE GOVERNANCE

 The Firm recognizes the importance of good corporate governance in ensuring that management and the board of directors fulfill their obligations to the shareholders. We will vote in favor of proposals promoting transparency and accountability within a company. For example, we will vote in favor of proposals providing for equal access to proxies, a majority of independent directors on key committees, and separating the positions of chairman and CEO.

## ANTI-TAKEOVER MEASURES

The Firm believes that measures that impede takeovers or entrench management not only infringe on the rights of shareholders but may also have a detrimental effect on the value of the company. We will generally oppose proposals, regardless of whether they are advanced by management or shareholders, the purpose or effect of which is to entrench management or dilute shareholder voting power. Conversely, we may support proposals that would restrict or otherwise eliminate anti-takeover measures that have already been adopted by corporate issuers. For example, we may support shareholder proposals that seek to require the company to submit a shareholder rights plan to a shareholder vote. We will evaluate, on a case-by-case basis, proposals to completely redeem or eliminate a poison pill. Furthermore, we will generally oppose proposals put forward by management (including blank check preferred stock, classified and supermajority vote requirements) that appear to be intended as entrenchment mechanisms.

* Executive Compensation

The Firm believes that company management and the compensation committee of the board of directors should, within reason, be given latitude to determine the types and mix of compensation and benefit awards offered. Whether proposed by a shareholder or management, we will review proposals relating to executive compensation plans on a case-by-case basis to ensure that the long-term interests of management and shareholders are properly aligned. We will analyze the proposed plans to ensure that shareholder equity will not be excessively diluted, the option exercise price is not below market price on the date of grant and an acceptable number of employees are eligible to participate in such programs. Other factors such as the company's performance, whether the plan expressly permits the re-pricing of underwater stock options without shareholder approval (or if the company has a history of such actions) and industry practice will generally be factored into our analysis. Generally, we will support proposals to submit severance packages triggered by a change in control to a shareholder vote and proposals that seek additional disclosure of executive compensation.

* Social and Corporate Responsibility

The Firm will review and analyze on a case-by-case basis proposals relating to social, political, and environmental issues to determine whether the proposal will have a financial impact on shareholder value. We may vote against proposals that are unduly burdensome or result in unnecessary and excessive costs to the company. We may abstain from voting on social proposals that do not have a readily determinable financial impact on shareholder value.

* Proxies of Certain Non-U.S. Issuers

Protection for shareholders of non-U.S. issuers may vary significantly from jurisdiction to jurisdiction. Laws governing non-U.S. issuers may, in some cases, provide substantially less protection for shareholders. We will generally vote proxies of non-U.S. issuers in accordance with the foregoing guidelines, but they are premised upon the existence of a sound corporate governance and disclosure framework and may not be appropriate under some circumstances for non-U.S. issuers. Proxy voting in certain countries requires "share blocking". That is, shareholders wishing to vote their Proxies must deposit their shares shortly before the date of the meeting (usually one-week) with a designated depositary. During this blocking period, shares that will be voted at the meeting cannot be sold until the meeting has taken place and the shares are returned to the clients' custodian banks. The Firm may determine that the value of exercising the vote does not outweigh the detriment of not being able to transact in the shares during this period. Accordingly, if share blocking is required, we may abstain from voting those shares. In such a situation we would have determined that the cost of voting exceeds the expected benefit to the client.

## CLIENT ACCESS TO POLICIES AND PROCEDURES AND PROXY VOTING RECORD

These Proxy Voting Policies and Procedures are available to all clients of the Firm upon request, and a Summary of Proxy Voting Policies and Procedures will be provided to each client account in the Part 2A of Form ADV, subject to the provision that these policies and procedures are subject to change at any time without notice. Absent any legal or regulatory requirement to the contrary, it is generally the policy of the Firm to maintain the confidentiality of the particular votes that it casts on behalf of its clients. Any client of the Firm may obtain details of how the Firm has voted the securities in the client's account by contacting the CCO. The Firm does not, however, generally disclose the results of voting decisions to third parties.

## RECORD KEEPING

The Firm maintains records of all Proxies voted in accordance with Section 204-2 of the Advisers Act. As required and permitted by Rule 204-2(c) under the Advisers Act, the following records are maintained:

a copy of these policies and procedures;

Proxy statements received regarding client securities are maintained by the Firm and/or the Proxy Vendor;

a record of each vote case is maintained by the Firm;

a copy of any document created by the Firm that was material to making a decision as to how to vote Proxies on behalf of a client or that memorializes the basis for that decision; and

each written client request for Proxy voting records and the adviser’s written response to any (written or oral) client request for such records.

## CLASS ACTION LAWSUITS

[Abbreviation of Firm] does not take any action or render any advice as to materials relating to any class action lawsuit involving a security held in a client’s account. [Abbreviation of Firm] will promptly forward to the Client via Certified Mail, return receipt requested, any such class action lawsuit materials for direct action by the Client.

# ~~ADVERTISING~~ – DELETE THIS ENTIRE SECTION HIGHLIGHTED IN BLUE AND REPLACE WITH NEW MARKETING RULE LANGUAGE IN YELLOW. PLEASE TAILOR THE NEW LANGUAGE ACCORDINGLY.

## ~~REGULATION~~

~~[Abbreviation of Firm] advertising practices are regulated by strict rules and regulations, which generally prohibits [Abbreviation of Firm] from engaging in fraudulent, deceptive, or manipulative activities. These rules also prohibit the making of any material omission, untrue statement of a material fact, or any statement that is otherwise false or misleading. In appraising advertisements by investment advisers, the SEC and state examiners will not only look to the effect that an advertisement might have on careful and analytical persons but will also look at the advertisements possible impact on those unskilled and unsophisticated in investment matters.~~

## ~~DEFINITION OF ADVERTISING~~

~~Advertising is defined to include: “any written communication addressed to more than one person, or any notice or announcement in any publication or by radio, television, or electronic media which offers securities analysis or reports or offers any investment advisory services regarding securities.” This broad definition includes standardized forms, form letters, [Abbreviation of Firm]’s brochures, or any other materials designed to maintain existing clients or to solicit new clients.~~

~~The following are deemed to be an advertisement or marketing piece (~~*~~NOTE: the following is not an all-inclusive list of what is considered advertising)~~*~~:~~

* ~~Marketing brochure~~
* ~~Advertisement in a magazine or other publication~~
* ~~Television, radio, or broadcast advertisement~~
* ~~Internet website~~
* ~~E-mail or text messages sent to multiple recipients~~
* ~~Audio/video of presentation designed to market~~
* ~~Press releases~~
* ~~Third party publication reprints~~
* ~~Performance presentations to more than one prospective client~~
* ~~Telemarketing scripts~~
* ~~Analysis, report, or publication concerning securities~~
* ~~Verbal conversations via in person, telephone or otherwise~~
* ~~Written communication responding to an unsolicited request~~
* ~~Account statements~~
* ~~Academic articles~~

## ~~REVIEW AND APPROVAL~~

~~Because a false or misleading advertisement or marketing piece may result in fraud charges against the Firm, each marketing piece or advertisement must be reviewed and controlled in advance of public dissemination.~~

~~With respect to each proposed advertisement or other marketing piece (advertisement):~~

~~1. Marketing/Author of Advertising will submit the proposed advertisement will prepare an outing form/advertising checklist ("Advertising Approval Form") containing the following:~~

* ~~Text of the proposed advertisement;~~
* ~~Target audience;~~
* ~~List of employees and others who must review and sign off on the advertisement (with blank boxes for date received by such person, date reviewed by such person and initials);~~
* ~~Deadline; and~~
* ~~Statement whether the advertisement contains performance data, and, if so, who must review it.~~

~~2. During the routing process, the Firm's compliance employee responsible for reviewing advertisements ("Advertisement Reviewer") will determine whether the proposed advertisement in fact meets the definition of advertisement. (Oral communications are not advertisements. However, fraudulent, or misleading oral statements are prohibited.)~~

~~3. If the advertisement contains performance returns, the Advertisement Reviewer will review documentation including worksheets supporting the calculation of the performance returns. In addition, the Advertisement Reviewer will look for numbers that appear to be outliers or otherwise incorrect. If so, the advertisement will be sent back so that the correct performance returns may be used.~~

~~4. The Advertisement Reviewer using the factors described below, will determine whether the proposed advertisement is misleading, incomplete, inaccurate, or missing necessary information and that it complies with all applicable regulations and SEC interpretative positions of those regulations.~~

~~5. The Advertisement Reviewer will ensure that the advertisement contains the correct disclosures and disclaimers.~~

~~6. After reviewing the proposed advertisement, the Advertisement Reviewer will indicate on the Advertising Approval Form his or her approval or disapproval on the proposed advertisement.~~

~~7. If disapproved, the Advertisement Reviewer will return the Advertising Approval Form with the proposed advertisement to the marketing employee who made the submission, with comments and suggested edits.~~

~~8. If approved by the Advertisement Reviewer, the marketing employee will incorporate the edits and comments (if any) into the prospective advertisement and return it to the Advertisement Reviewer for final review.~~

~~9. When comments become final, the Advertisement Reviewer will indicate final approval for use on the Advertising Approval Form, which will then be put in final layout form. This approval process can be completed through email exchange and properly retained in your Books and Records.~~

~~10. Approved advertisements may not be used or modified (except to update performance information) without the express written approval of the Chief Compliance Officer. An advertisement with unauthorized modifications will be deemed a proposed advertisement, subject to each and every one of these procedures.~~

~~11. Advertisements with material modifications or advertisements that have been in use for at least one year must be re-routed through the process set forth above.~~

## ~~PRESENTATION – CLIENTS~~

~~The Firm’s clients are a wide range of investors. Client meetings are normally face-to-face, with adequate opportunity for questions and answers during and after the presentation. With the oversight of the CCO, it is the primary duty of the IAR to oversee the preparation of the written material to be presented in client meetings.~~

## ~~PERFORMANCE~~

~~Care should be taken when providing performance in client presentations. Actual performance of the client account should be used. If applicable, a notation should be made that performance is [~~***~~gross or net of fees or describe actual method].~~*** ~~If composite performance is also provided, this should be clearly noted with appropriate disclosure describing the composite and related information.~~

## ~~PROHIBITED REFERENCES~~

* ~~Use of the Term "Investment Counsel"~~

~~The term “investment counsel” may not be used unless:~~

* ~~the person's principal business is acting as an investment adviser; and,~~
* ~~a substantial portion of their business consists of providing continuous advice as to the investment of funds on the basis of the individual needs of each client.~~
* ~~Use of the Designation "RIA"~~

~~Neither [Abbreviation of Firm] nor any person associated with [Abbreviation of Firm] may use the designation of "RIA" after their name.~~

* ~~Other Prohibitions~~

~~It is unlawful for [Abbreviation of Firm] to represent that it has been sponsored, recommended, or approved, or that its abilities or qualifications have been passed upon by any federal or state governmental agency.~~

## ~~TESTIMONIALS~~

~~The Firm will not use testimonials in any marketing materials. A testimonial includes a statement by a present or former client that endorses [Abbreviation of Firm] and/or refers to the client’s favorable investment experience with [Abbreviation of Firm]. In certain circumstances, third-party ratings may be considered as testimonials. An IAR that is considering whether to use a third-party rating in an advertisement should determine whether the third-party rating is a testimonial by evaluating, among other things, (1) the criteria used by the third party when formulating the rating, and (2) the significance to the rating’s formulation of criteria relating to client evaluations of the investment adviser. Prior to use in any Firm materials, the CCO will approve the use of all third-party ratings and determine what disclosure is required to accompany the rating.~~

## ~~THIRD PARTY REPORTS~~

~~[Abbreviation of Firm] may use bona fide, unbiased third-party reports, even if [Abbreviation of Firm] has paid the third party to verify its performance.~~

## ~~USE OF ADVISORY CLIENT LIST~~

~~[Abbreviation of Firm] may include a list of advisory clients in an advertisement, provided that:~~

1. ~~Each client to be named has consented to [Abbreviation of Firm]’s use of their name in the advertisement;~~
2. ~~[Abbreviation of Firm] does not use performance-based criteria to determine which clients to include on the list;~~
3. ~~Each list includes a disclaimer to the effect that "it is not known whether the listed clients approve or disapprove of [Abbreviation of Firm] or the advisory services provided"; and,~~
4. ~~Each list includes disclosure about the objective criteria used to determine which clients were included on the list.~~

## ~~USE OF HEDGE CLAUSES~~

* ~~Permitted Use~~

~~Advertisements, correspondence, and other literature generated by [Abbreviation of Firm] may contain hedge clauses or legends that pertain to the reliability and accuracy of the information furnished.~~

* ~~Disclosure~~

~~The following disclosure must be provided when using hedge clauses: "The information contained herein has been obtained from sources believed to be reliable, but the accuracy of the information cannot be guaranteed."~~

* ~~Restrictions~~

~~Under no circumstances shall any legend, condition, stipulation, or provision be written so as to create, in the mind of the investor, a belief that the person has given up some or all of their legally entitled rights or protections. Additionally, [Abbreviation of Firm] shall not use any hedge clause that would seek to relieve [Abbreviation of Firm] from compliance with any securities or advisory laws, rules, or regulations. In the opinion of the SEC and various states, the use of such hedge clauses may violate [Abbreviation of Firm]'s fiduciary duties to its clients.~~

## ~~PERFORMANCE PRESENTATIONS IN [ABBREVIATION OF FIRM] ADVERTISEMENTS.~~

**~~Note: This discussion relates only to the use of actual performance information. The use of model performance numbers would require compliance with other rules.~~**

* ~~General Legal Framework~~

~~Investment adviser advertising is subject to relatively few specific requirements in comparison to investment company advertising. The Advisers Act contains the basic antifraud provisions that govern advisers and certain specific prohibitions and restrictions on certain advertising practices (e.g., the use of testimonials; publication of guidelines concerning presentation of past specific recommendations; use of graphs, charts, and formulas, etc.).~~

* ~~Fees and Expenses~~

~~The regulations begin with the presumption that most presentations of performance that are “gross of fees” and expenses are misleading. With certain limited exceptions, therefore, advertisements showing performance results must reflect actual advisory fees and brokerage commissions. There is an exception, however, which allows the use of performance information gross of fees to sophisticated clients in “one on one” presentations.~~

1. ~~Types of Clients.~~

~~Clients who receive gross performance data include (a) wealthy individuals and institutions, (b) in a private, confidential setting, (c) who have sufficient assets to justify the cost and effort of one-on-one presentations and (d) the ability and opportunity to ask questions and possibly negotiate fees. Gross performance information may also be provided to consultants if they are instructed that it may only be used subject to the same conditions as the adviser's use.~~

1. *~~Scope of Presentation.~~* ~~What constitutes a “one-on-one” presentation is open to some interpretation. Generally, a private presentation to one client is considered to be “one on one.” (The adviser may also provide gross performance numbers to consultants, so long as they are instructed to use such information according to the required conditions.) The “one client” rule does not mean that the adviser can present to only one individual. However, it is critical that in a presentation using gross numbers to a group that constitutes a single client, there is ample opportunity for questions and discussion. A presentation to a large seminar clearly would not qualify for the exception.~~
2. *~~Required Disclosures to Be Used with Gross Performance~~*~~. Any use of gross performance information must include the following disclosures:~~
* ~~Results do not include advisory fees;~~
* ~~A client's return would be reduced by fees and other expenses;~~
* ~~Fees are described in Part 2A and Form CRS of the adviser's Form ADV;~~
* ~~An example showing the compounding effect of fees over a period of years. This may take the form of a table, chart, graph, or narrative.~~
1. ~~Required Disclosures for Adviser Performance Advertising Generally~~

~~An adviser must include, along with performance information, adequate information about the following:~~

1. ~~Effect of material market or economic conditions on results;~~
2. ~~Effect of reinvestment of dividends and gains;~~
3. ~~Probability of loss if potential for profit is suggested;~~
4. ~~A description of any index used and of all relevant differences and similarities in cases of index comparisons;~~
5. ~~Material investment objectives and strategies; and~~
6. ~~If using actual performance, a prominent disclosure that results only represent certain clients, the basis for selecting the limited group, and the effect of such selection.~~
7. ~~Recordkeeping Requirements~~
8. ~~Copies of Advertisements. A copy of each advertisement sent to ten or more people must be kept for five years in an easily accessible place. For the first two years, they must be kept in the appropriate office of the adviser.~~
9. ~~Back-up for Performance Information. A copy of the comprehensive account statements for all accounts included in advertisements and the worksheets used for all related performance calculations must be kept for the same time period and in the same manner as the advertisements themselves~~~~.~~

## ~~THIRD-PARTY RANKINGS OR AWARDS~~

~~[OPTION 1]:~~

~~Without exception, Firm does not allow the use of third-party rankings or awards by IARs.~~

~~OR~~

~~[OPTION2]:~~

~~The Firm will allow the use of third-party rankings or awards by its IARs, but the Firm and IAR must consider the following factors when determining whether any advertisement containing a third-party ranking is false or misleading, and thus, prohibited:~~

~~Whether the advertisement discloses the criteria on which the rating was based;~~

~~Whether an adviser or IAR advertises any favorable rating without disclosing any facts that the adviser or IAR knows would call into question the validity of the rating or the appropriateness of advertising the rating (e.g., the adviser or IAR knows that it has been the subject of numerous client complaints relating to the rating category or in areas not included in the survey);~~

~~Whether an adviser or IAR advertises any favorable rating without also disclosing any unfavorable rating of the adviser or IAR (or the adviser that employs the IAR);~~

~~Whether the advertisement states or implies that an adviser or IAR was the top-rated adviser or IAR in a category when it was not rated first in that category;~~

~~Whether, in disclosing an adviser’s or IAR’s rating or designation, the advertisement clearly and prominently discloses the category for which the rating was calculated, or designation determined, the number of advisers or IARs surveyed in that category, and the percentage of advisers or IARs that received that rating or designation;~~

~~Whether the advertisement discloses that the rating may not be representative of any one client’s experience because the rating reflects as average of all, or a sample of all, of the experiences of the adviser’s or IAR’s clients;~~

~~Whether the advertisement discloses that the rating is not indicative of the adviser’s or IAR’s future performance; and~~

~~Whether the advertisement discloses prominently who created and conducted the survey and that advisers and IARs paid a fee to participate in the survey.~~

~~Third-party ranking and/or awards need CCO approval prior to their use in any materials used by the Firm. The CCO will ensure proper disclosure is used along with the third-party ranking and/or award.~~

## ~~APPROVED MARKETING MATERIALS~~

~~All marketing materials must be reviewed and approved in advance of first use by the CCO. Any proposed deviation from the previously approved marketing materials must be reviewed and approved by the CCO prior to the distribution thereof. This approval process can be completed through email exchange and properly retained in your Books and Records.~~

## ~~PRESENTATION – CLIENTS~~

~~The Firm’s clients are a wide range of investors. Client meetings are normally face-to-face, with adequate opportunity for questions and answers during and after the presentation. With the oversight of the CCO, it is the primary duty of the IAR to oversee the preparation of the written material to be presented in client meetings.~~

## ~~PERFORMANCE~~

~~Care should be taken when providing performance in client presentations. Actual performance of the client account should be used. If applicable, a notation should be made that performance is gross of fees. If composite performance is also provided, this should be clearly noted with appropriate disclosure describing the composite and related information. All advertising and client presentation materials must be approved by the CCO prior to first use.~~

# MARKETING & ADVERTISING

## BACKGROUND

Rule 206(4)-1 under the Advisers Act prohibits certain types of advertisements, including any advertisement that contains any untrue statement of material fact, or that is otherwise false or misleading. Additionally, the Advisers Act’s broad anti-fraud provisions apply to all written correspondence; even items that are excluded from the definition of an advertisement must not contain any false or misleading statements. Effective May 5th, 2021, the Securities and Exchange Commission implemented reforms under the Investment Advisers Act to modernize rules that govern investment adviser advertisements and payments to solicitors. The amendments create a single rule that replaces the current advertising and cash solicitation rules.

As with all advertisements as defined below must be submitted to Compliance for review and approval prior to use.

## DEFINITION OF ADVERTISEMENT

The definition of an advertisement includes two prongs:

**First Prong:** *Any direct or indirect communication* an investment adviser makes to more than one person, or to one or more persons if the communication includes hypothetical performance, that offers the investment adviser’s investment advisory services with regard to securities to prospective clients or investors in a private fund advised by the investment adviser or offers new investment advisory services with regard to securities to current clients or investors in a private fund advised by the investment adviser, but does not include:

* extemporaneous, live, oral communications;
* information contained in a statutory or regulatory notice, filing, or other required communication, provided that such information is reasonably designed to satisfy the requirements of such notice, filing, or other required communication; or
* a communication that includes hypothetical performance that is provided:
	+ in response to an unsolicited request for such information from a prospective or current client or investor in a private fund advised by the investment adviser; or
	+ to a prospective or current investor in a private fund advised by the investment adviser in a one-on-one communication; and

**Second Prong:** *Any endorsement or testimonial for which an investment adviser provides compensation, directly or indirectly*, but does not include any information contained in a statutory or regulatory notice, filing, or other required communication, provided that such information is reasonably designed to satisfy the requirements of such notice, filing, or other required communication.

A “testimonial” is defined in new Rule 206(4)-1(e)(17) as a statement by a current client about the client or investor’s experience with the adviser or its supervised persons. This term also includes a statement that solicits a current or prospective client or investor for or refers a current or prospective client or investor to, the adviser or a private fund it advises.

An “endorsement” is similar, but it is made by a person other than a current client or investor, and may include a general approval, support or recommendation of the adviser or its supervised persons.

## GENERAL PROHIBITIONS

Rule 206(4)-1(a) subjects all investment adviser advertisements to certain general prohibitions. These include bans on:

* False or misleading statements or omissions of a material fact;
* Material statements of fact the adviser does not reasonably believe it can substantiate if the SEC asks it to;
* Information that would reasonably be likely to cause a client or prospective client to draw an untrue or misleading implication or inference about a material fact regarding the adviser;
* Statements about specific investment advice rendered by the adviser or the adviser’s performance, unless those statements are fair and balanced;
* Statements about the potential benefits to clients or investors arising from the adviser’s services or operations without providing fair and balanced treatment of relevant material risks or limitations, and
* Advertisements that are otherwise materially misleading.

## ADVERTISEMENT PROCEDURES

The Firm has adopted the following procedures to adhere to Rule 206(4)-1: All marketing material must comply with the seven general prohibitions of Rule 206(4)‐1 listed

above. Notes: these are principles‐based and intentionally broad.

* Prior to use of any marketing materials, the CCO and/or designee will review and approve all advertisements and promotional materials used by the Firm.
* The CCO and/or designee will document the review and approval of all such communications together with any comments or amendments to any such communication as a result of such review.
* Alternatively, e‐mails documenting the substance of such reviews may also be maintained.
* Only Approved marketing materials are used with clients and/or prospects.
* Modifications to any approved marketing materials must be approved by CCO prior to use. Written approval and review is required by the CCO.
* The CCO is responsible for conducting periodic reviews to ensure that only approved materials are distributed to clients and/or prospects.
* The CCO will be responsible for periodic testing designed to ensure that the Firm make and keep records of the following:
	+ Advertisements used with current clients and/or prospects (includes recordings or copies of any written or recorded materials used in connection with an oral advertisement)
	+ Required disclosures delivered to investors (applicable to testimonials, endorsements, and third-party ratings)
* Form ADV Item 5.L. is reviewed and updated at least annually to ensure responses are current and accurate regarding our use in advertisements of performance results, hypothetical performance, references to specific investment advice, testimonials, endorsements, or third-party ratings.
* At a minimum each marketing piece must disclose, “Advisory services offered through [Firm’s name], an investment adviser registered with the U.S. Securities & Exchange Commission [or name of state] Additional disclosure may be required depending on facts and circumstances. Note: Rule 206(4)‐explicitly requires clear and prominent disclosure for testimonials, endorsements, third‐party ratings and predecessor performance.

## BOOKS AND RECORDS

The Firm must make and keep records of all “advertisements” they disseminate, subject to alternative methods of compliance for oral advertisements, including oral testimonials and oral endorsements. The Firm must retain advertisements sent to one or more persons. Records may be stored using email archives (including in cloud storage or with a third-party vendor), provided that the Firm can promptly produce records in accordance with the recordkeeping rule and SEC guidance. Copies of reviewed documents will be maintained for five years following their last use, the first two in an easily accessible place. We shall maintain all advertisements that we directly or indirectly disseminate.

## TESTIMONIALS AND ENDORSEMENTS

**POLICY (Pick ONE Option per your Firm’s Policy)**

**[OPTION 1] – PROHIBIT USE OF TESTIMONIALS AND ENDORSEMENTS**

Without exception, Firm does not allow use of testimonials or endorsements in marketing and advertising. Should the Firm decide to change this Policy, the Manual will be updated to reflect procedures to address the use of testimonials and endorsements in Firm marketing materials.

**OR**

**[OPTION 2] – ALLOW FOR USE OF TESTIMONIALS AND ENDORSEMENTS**

The Firm does allow for use of testimonials and endorsements in marketing and advertising when the following disclosure and Rule conditions are followed as discussed below. All testimonials used in advertising must be received in writing and maintained in a Testimonial file (can be physical or electronic), and they must be approved by Compliance prior to use (as with any marketing material).

“Advertisement” includes any endorsement or testimonial for which an investment adviser provides compensation, directly or indirectly. A testimonial includes any statement, written or oral, by a current client about the client’s experience with the Firm or its supervised persons.

**Testimonial** - any statement by a current client advised by the investment adviser:

* About the client or investor’s experience with the investment adviser or its supervised persons.
* That directly or indirectly solicits any current or prospective client to be a client of the investment adviser; or
* That refers any current or prospective client or investor to be a client of the investment adviser.

**Endorsement** includes any statement, written or oral, by a person other than a current client that:

* Indicates approval, support, or recommendation of the investment adviser or its supervised persons or describes that person’s experience with the investment adviser or its supervised persons.
* Directly or indirectly solicits any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser; or
* Refers any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser.

*Note: the SEC has merged SEC Rule 206(4)‐3, the solicitor’s rule, into 206(4)‐1, the advertising rule. They have also dropped the use of the term “solicitor” and incorporate the acts as providing an “endorsement.”*

Testimonials and endorsements also include solicitation and referral activities, including statements that directly or indirectly solicit any investor to be the Firm’s client. This also includes referrals of any investor to be the Firm’s client from lead-generation Firms and adviser referral networks. Lists of clients or investors may be presented if the basis for inclusion and exclusion is independent of performance and is fully disclosed in the advertisement, which also presents a warning to the effect that inclusion of the list does not necessarily mean that the listed clients are satisfied with the investment adviser’s services. ***Merely permitting the use of the “like”, “share”, or “endorse” feature on a third-party website or social media platform is not considered a testimonial or endorsement.***

Examples of activities likely to be deemed an endorsement or testimonial include the following:

* + Websites of lead-generating Firms or adviser referral networks (endorsement);
	+ A blogger’s website review of an adviser’s services (endorsement or testimonial);
	+ A lawyer or other service provider that refers an investor to an adviser, even infrequently (endorsement or testimonial); and,
	+ Solicitor arrangements previously made under Advisers Act Rule 206(4)-3, the “Cash Payments for Client Solicitations Rule”).

Examples of activities that are likely **NOT** deemed to be an endorsement or testimonial include the following:

* A third-party marketing service or news publication that prepares content for the adviser or disseminates content (such as an adviser newsletter); or,
* A company that provides a list containing the names and contact information of prospective investors.

LEAD GENERATION FIRMS (add if applicable to Firm)

Lead generation firms are operated by ‘non-investors’ where a Firm compensates an operator to solicit investors for, or refer investors to, the RIA. These types of ‘operators’ make third-party advisory services (such as model portfolio providers) accessible to investors and stated that the operators do not promote or recommend particular services or products accessible on the platform. In both examples, the operator’s website likely meets the final marketing rule’s definition of endorsement. An operator may tout the advisers included in its network, and/or guarantee that the advisers meet the network’s eligibility criteria. In addition, because operators typically offer to “match” an investor with one or more advisers compensating it to participate in the service, operators typically engage in solicitation or referral activities. If our Firm has engaged a Lead Generation Firm, the Firm must provide the client disclosure of this relationship through either the ADV, Agreement or separate acknowledgment form.

## DISCLOSURES

In order to utilize testimonials or endorsements in advertising, the Firm must at the time the testimonial or endorsement is disseminated, provide clear and prominent disclosure that:

* Indicates the testimonial was given by a current client or the endorsement was given by someone other than a current client;
* Indicates that compensation was provided for the testimonial or endorsement, this includes cash or non-cash compensation, if applicable, and
* Includes a brief statement regarding any conflicts of interest on the part of the person giving the testimonial or endorsement resulting from that person’s relationship with the Firm.
	+ A person receiving cash or non-cash compensation to a person providing a testimonial or endorsement is called a “Promoter”. The disclosure should state that the Promoter, due to the compensation received, has an incentive to recommend the adviser, resulting in a material conflict of interest, and any other material conflicts of interest arising from the Promoter’s relationship with the Firm. These disclosures must be provided at the time the testimonial or endorsement is disseminated.

Material terms include:

* Whether the adviser will be paid a specific cash amount or a percentage of total advisory fees over a period of time, the value of any non-cash compensation if that value is readily ascertainable.
* Any condition to the payment, i.e., a requirement that the client continue or renew the advisory relationship, and
* Whether compensation is payable upon dissemination, deferred, contingent, or trailing.
	+ Clear and prominent means that the above disclosure must be included within the body of the material for written communications and may be presented in written format or orally in connection with an oral testimonial or endorsement. The disclosure language is required to be shown in the same font size (no less than 8 font) as the rest of the draft. Hyperlinked disclosure will not suffice.

## COMPENSATED TESTIMONIALS AND ENDORSEMENTS

The Firm may provide cash or non-cash compensation to a person providing a testimonial or endorsement (a “Promoter”), provided the following conditions are met:

* + - **Reasonable Basis**. The Firm must have a reasonable basis for believing that the testimonial or endorsement complies with the requirements of the SEC’s Marketing Rule.
		- **Written Agreement.** The Firm must maintain a written agreement with any person giving a testimonial or endorsement for compensation. The written agreement must describe the scope of the agreed-upon activities and the terms of compensation for those activities.
		- **Disqualification.** The Firm may not compensate an individual who would otherwise be deemed an ineligible person with a disqualifying action or event under federal securities laws. Disqualifying actions and events include but are not limited to an SEC opinion or order barring, suspending, or prohibiting the person from acting in any capacity under the federal securities laws and certain convictions, orders, and legal proceedings described in Section 203(e) of the Advisers Act.
			* If the person providing the testimonial or endorsement is being compensated (whether cash or non-cash) at a value of more than $1,000 within a 12-month period, this is subject to additional requirements and disclosures. Any Promoters being compensated at a value of more than $1,000 per year require Compliance Department review and approval prior to being used.

## OTHER EXEMPTIONS

If a testimonial or endorsement is furnished by an officer, director, partner, or employee of the adviser; a person who controls, is controlled by or is under common control with the adviser; or an officer, director, partner, or employee of such a control affiliate, the adviser does not have to comply with the disclosure requirements of Rule 206(4)-1(b)(1) so long as two conditions are satisfied.

**First,** the affiliation between the adviser and the Promoter must be disclosed or readily apparent to the client or investor at the time the testimonial or endorsement is disseminated.

**Second,** the adviser must document the Promoter’s status at the time the testimonial or endorsement is disseminated.

* Furthermore, subject to the same two conditions, the adviser need not have a written agreement with an affiliated Promoter. Notwithstanding these exemptions, the adviser oversight and disqualification provisions continue to apply to compensated promotional activities by affiliated personnel.

## REGISTRATION REQUIREMENTS

Notwithstanding the above, some state rules and regulations require persons receiving compensation for client referrals to be registered as investment advisers or Investment Adviser Representatives (IARs). **The Firm will ensure that any person (individual or entity) acting as a solicitor is properly registered, if applicable by State statues, as an IAR of the Firm or investment adviser prior to receiving compensation for client referrals, if required.** This applies regardless of Federal covered Adviser registration.

## THIRD-PARTY ATTRIBUTION

In addition to “advertisements” directed by the Firm, the Firm shall also be responsible for “advertisements” directed by a third-party if the Firm (or a related person) participates in the communication. Whether information posted or published by third parties is attributable to an adviser requires an analysis of the **facts and circumstances** to determine (i) whether the adviser has explicitly or implicitly endorsed or approved the information after its publication (adoption) or (ii) the extent to which the adviser has involved itself in the preparation of the information (entanglement).

At a minimum, the following facts and circumstances should be considered by the Firm when assessing whether it has participated in a third-party “advertisement”:

* + Was the Firm involved in creating or disseminating the advertisement (entanglement)?
	+ Did the Firm authorize the communication?
	+ Did the Firm provide the material to third-party for dissemination?
	+ Did the Firm endorse the material after publication (adoption)?
	+ Are the materials collaborative (ex. fund of funds, 3rd party models)?
	+ Did the Firm selectively delete, alter, or endorse comments on a third parties’ content on the Firm’s social media platform(s)?

## ENDORSEMENTS (PREVIOUSLY REFERRED TO AS SOLICITORS)

An “endorsement” is similar to a testimonial, but it is made by a person other than a current client or investor, and may include a general approval, support or recommendation of the adviser or its supervised persons.

## DISCLOSURES

Like testimonials addressed above, endorsements must satisfy the following conditions:

*Prominent Disclosures.* The Firm must disclose, or reasonably believe that the person giving the endorsement discloses, *clearly and prominently*, the following at the time the endorsement is disseminated:

* The endorsement was given by a person other than a current client or private fund investor, as applicable;
* That cash or non-cash compensation was provided for endorsement, if applicable; and
* A brief statement of any material conflicts of interest on the part of the person giving the endorsement resulting from the adviser's relationship with such person.

*Oversight and Compliance.* All endorsements are subject to an oversight and compliance provision under the Marketing Rule. Specifically, the Marketing Rule requires the adviser to have:

* A *reasonable basis* for believing that any endorsement complies with the requirements of the rule, and
* A *written agreement* with any person giving a compensated endorsement that describes the scope of the agreed-upon activities and the terms of the compensation for those activities when the adviser is providing compensation for testimonials and endorsements that exceeds $1,000 over a 12-month period (written agreement requirement).

## DISQUALIFICATION FOR PERSONS WHO HAVE ENGAGED IN MISCONDUCT

The Firm is prohibited from compensating a person, directly or indirectly, for an endorsement if the Firm knows, or in the exercise of reasonable care should know, that the person giving the endorsement is an ineligible person at the time the endorsement is disseminated (disqualification provision). The disqualification provision does not apply to uncompensated testimonials or endorsements.

An “ineligible person” is a person who is subject to an SEC opinion or order barring, suspending, or prohibiting the person from acting in any capacity under the federal securities laws or to any one of many enumerated “disqualifying events.” The definition extends to employees, officers, directors, general partners, and elected managers of an ineligible person. The Marketing Rule includes a ten-year lookback period across all “disqualifying events,” which aligns with disciplinary disclosure reporting on Form ADV, Part 1.

## EXEMPTIONS

The Marketing Rule provides the following exemptions from certain requirements otherwise applicable to endorsements:

*De Minimis Compensation*. An endorsement disseminated for no compensation or *de minimis* compensation (US$1,000 or less during the preceding 12 months) is not subject to the disqualification provision for ineligible persons or the written agreement requirement. However, these communications remain subject to the rule's disclosure and general adviser oversight requirements.

*Affiliated Personnel*. An endorsement by an employee or other affiliate of an adviser is not subject to the disclosure requirements, or written agreement requirement, but remains subject to the disqualification and general adviser oversight requirements. The affiliation between the adviser and such person must be *readily apparent* to or disclosed to the client or investor at the time the endorsement is disseminated, and the adviser must document such person's status.

*Registered Broker-Dealers*. An endorsement by a broker or dealer registered under Section15(b) of the Securities Exchange Act of 1934 (Exchange Act) is not required to comply with:

* Any disclosure requirements if the testimonial or endorsement is a recommendation subject to Regulation Best Interest;
* The “other disclosure” requirements if the testimonial or endorsement is provided to a person that is not a retail customer (as that term is defined in Regulation Best Interest); and
* The disqualification provision, if the broker or dealer is not subject to statutory disqualification under the Exchange Act.

## TESTIMONIALS AND ENDORSEMENTS ADVERTISING PROCEDURES

* Prior to discussions with a potential Promoter, the CCO will be responsible for exercising reasonable care and conduct reasonable due diligence to confirm that the engaged Promoter is not subject to any applicable disqualification events.
* Promoters must be pre-approved by CCO prior to engaging in a Promoter Agreement with the Firm.
* The CCO is responsible for the review of all Agreements with Promoters including terms of what compensation arrangements are finalized.
* CCO will approve all compensation arrangements to ensure they are in line with policies at the Firm.
* The CCO will be responsible for preparing the disclosure statement specific to each Promoter Agreement and train Promotors to deliver this statement during engagement of the Client.
* The CCO will review and approve of use of all testimonials and endorsements included in our advertising materials prior to use with clients. Proper Disclosures per the policy above are required prior to use.
* The CCO or designee will review at least on an annual basis all Promotor agreements for compensation to determine if the de minimis amount of Promoters providing testimonials, endorsements and/or referrals needs to be reviewed and revised.
* The CCO will provide testing designed to ensure that the Firm creates and keep records relating to our determination that the Firm has a reasonable basis for believing that a testimonial or endorsement complies with Rule 206(4)-1.
* To meet the *clear and prominent disclosure* requirement, any person giving an oral testimonial/endorsement that is COMPENSATED should read the following scripted disclosure prior to speaking with or about the Firm. “Before we begin, I must disclose that I am (not) a client of XYZ. I am being compensated by XYZ which represents a conflict of interest.”

## BOOKS AND RECORDS

Below is a sample of the books and records to be maintained:

* Oral advertisements such as radio show recordings and podcasts;
* Any communication or document related to the Firm’s determination that it has a reasonable basis for believing that a testimonial or endorsement complies with the Marketing Rule due diligence requirement;
* Any agreement with the Promotor that is paid for the endorsement or testimonial.

## THIRD-PARTY RANKINGS OR AWARDS

A “third-party rating” is defined in the Marketing Rule to mean a rating or ranking of an investment adviser provided by a person who is not a related person (as defined in the Form ADV Glossary of Terms), and such person provides such ratings or rankings in the ordinary course of its business. Paragraph (c) of the Marketing Rule subjects advertisements that include third-party ratings to certain conditions and disclosure requirements.

POLICY **(Pick ONE option per your firm’s policy)**

**[OPTION 1]:**

Without exception, Firm does not allow the use of third-party rankings or awards by IARs in marketing and advertising. Should the Firm decide to change this Policy, the Manual will be updated to reflect procedures to address the use of third-party rankings in Firm marketing materials.

**OR**

**[OPTION 2]:**

The Firm does allow for use of third-party ratings in an advertisement if the following conditions are met:

Any questionnaire or survey used in the preparation of the third-party rating is structured to make it equally easy for a participant to provide favorable and unfavorable responses and is not designed or prepared to produce any predetermined result.

Advertisements containing third-party rating clearly and prominently disclose the following:

* Date on which the rating was given and the period of time upon which the rating was based;
* Identity of the third party that created and tabulated the rating;
* Criteria for the receipt of such accolade; and
* If applicable, that compensation has been provided directly or indirectly by the adviser in connection with obtaining or using the third-party rating.

Including these disclosures in an advertisement that contains third-party ratings would not contain a rating that could otherwise be false or misleading under the Marketing Rule’s general prohibitions, or under the general anti-fraud provisions of the federal securities laws.

Additionally, the Firm and IAR must consider the following factors when determining whether any advertisement containing a third-party ranking is false or misleading, and thus, prohibited:

Whether the advertisement discloses the criteria on which the rating was based;

* Whether an adviser or IAR advertises any favorable rating without disclosing any facts that the adviser or IAR knows would call into question the validity of the rating or the appropriateness of advertising the rating (e.g., the adviser or IAR knows that it has been the subject of numerous client complaints relating to the rating category or in areas not included in the survey);
* Whether an adviser or IAR advertises any favorable rating without also disclosing any unfavorable rating of the adviser or IAR (or the adviser that employs the IAR);
* Whether the advertisement states or implies that an adviser or IAR was the top-rated adviser or IAR in a category when it was not rated first in that category;
* Whether, in disclosing an adviser’s or IAR’s rating or designation, the advertisement clearly and prominently discloses the category for which the rating was calculated, or designation determined, the number of advisers or IARs surveyed in that category, and the percentage of advisers or IARs that received that rating or designation;
* Whether the advertisement discloses that the rating may not be representative of any one client’s experience because the rating reflects as average of all, or a sample of all, of the experiences of the adviser’s or IAR’s clients;
* Whether the advertisement discloses that the rating is not indicative of the adviser’s or IAR’s future performance; and
* Whether the advertisement discloses prominently who created and conducted the survey and that advisers and IARs paid a fee to participate in the survey.
	+ Third-party ranking and/or awards need CCO approval prior to their use in any materials used by the Firm. The CCO will ensure proper disclosure is used along with the third-party ranking and/or award. Non-descriptive awards may not be used.

**THIRD PARTY RANKING PROCEDURES**

* The CCO will review all proposed use of publication of any third-party ratings or survey results and conduct reasonable due inquiry regarding the methodology used by the third-party to determine such rating. A copy of any questionnaire or survey used in the preparation of a third-party rating included or appearing in any advertisement will be maintained for books and records.
* The CCO will review all use of advertisements referencing third party rankings prior to use with prospects/clients.
* The CCO will provide testing to ensure that the Firm creates and keep records communications relating to our determination that the Firm has a reasonable basis for believing that a testimonial or endorsement complies with Rule 206(4)-1.

**BOOKS AND RECORDS**

Below is a sample of the books and records to be maintained:

* Any communication or document that the rating complies with the Marketing Rule's due diligence requirement; and
* Copies of any questionnaire or survey used for determining a third-party rating used in Marketing.

## PERFORMANCE ADVERTISING

**POLICY (Pick ONE option per your firm’s policy)**

**[OPTION 1]:**

Without exception, Firm does not advertise actual or hypothetical performance.

**OR**

**[OPTION 2]:**

The Marketing Rule sets specific conditions on the presentation of performance but does not set forth separate requirements for performance advertising in materials intended for retail persons and nonretail persons, with the consequence that certain performance- related requirements primarily intended to protect unsophisticated retail investors must be included in performance advertisements directed to sophisticated institutions.

**GENERAL PROHIBITIONS**

The Marketing Rule prohibits including in any advertisement:

Any presentation of gross performance, unless the advertisement also presents net performance:

* + - With at least equal prominence to, and in a format designed to facilitate comparison with, the gross performance; and
		- Calculated over the same time period, and using the same type of return and methodology, as the gross performance.

Any performance results, of any portfolio or any composite aggregation of related portfolios, in each case other than any private fund, unless the advertisement includes performance results of the same portfolio or composite aggregation for one-, five-, and ten-year periods, each presented with equal prominence and ending on a date that is no less recent than the most recent calendar year-end; except that if the relevant portfolio did not exist for a particular prescribed period, then the life of the portfolio must be substituted for that period.

Any statement, express or implied, that the calculation or presentation of performance results in the advertisement has been approved or reviewed by the SEC.

Any related performance, unless it includes all related portfolios; provided that related performance may exclude any related portfolios if:

* The advertised performance results are not materially higher than if all related portfolios had been included; and
* The exclusion of any related portfolio does not alter the presentation of any applicable prescribed time periods
* Any extracted performance, unless the advertisement provides, or offers to provide promptly, the performance results of the total portfolio from which the performance was extracted.

Any hypothetical performance unless the investment adviser:

* + Adopts and implements policies and procedures reasonably designed to ensure that the hypothetical performance is relevant to the likely financial situation and investment objectives of the intended audience of the advertisement,
	+ Provides sufficient information to enable the intended audience to understand the criteria used and assumptions made in calculating such hypothetical performance, and
	+ Provides (or, if the intended audience is an investor in a private fund provides, or offers to provide promptly) sufficient information to enable the intended audience to understand the risks and limitations of using such hypothetical performance in making investment decisions.

“Hypothetical Performance,” a term that includes, but is not limited to, model performance, back tested performance and targeted or projected performance.

*Model portfolios* include those managed alongside portfolios for actual investors, computer-generated models and models the adviser creates or acquires from third parties, that are not used for actual investors.

*Back tested performance* is created by applying a strategy to data from prior time periods during which the strategy was not actually used.

*Targeted returns* reflect aspirational performance goals, while projected returns are the adviser’s performance estimates, which often are based on historical data and assumptions. Targeted and projected returns relate to a portfolio or the advertised investment advisory services; they do not include general market projections or predictions about economic conditions.

Hypothetical performance does not include an interactive analysis tool that allows a client or investor (or prospective client or investor) to produce simulations and statistical analyses that present the likelihood of various investment outcomes if certain investments are made or strategies are followed, but only if the adviser:

* describes the criteria and methodology used, including the tool’s limitations and key assumptions;
* explains that the results may vary with each use and over time;
* if applicable, describes the universe of investments considered in the analysis; explains how the tool determines which investments to select; discloses if the tool favors certain investments and if it does, explains the reason for the selectivity; and explains that other investments not considered may have characteristics similar or superior to those being analyzed; and
* discloses that the tool generates hypothetical outcomes.
* Nor does hypothetical performance include “predecessor” performance that complies with the requirements discussed below.

The Firm will determine if hypothetical performance is relevant by the following:

The specific financial situation and investment objectives of the intended audience;

Past experiences with clients. This criteria may include, whether an investor is an existing client, the net worth or investing experience of the investor, certain regulatory categories (e.g., qualified purchasers, qualified clients, or even qualified institutional buyers), or whether the investor type includes only natural persons or only sophisticated institutions.

As stated above, investment analysis tools are excluded from the definition, but an interactive analysis tool must include disclosures that:

* Provides a description of the criteria and methodology used, including the investment analysis tool's limitations and key assumptions;
* Explains that the results may vary with each use and over time;
* If applicable, describe the universe of investments considered in the analysis, explain how the tool determines which investments to select, disclose if the tool favors certain investments and, if so, explain the reason for the selectivity, and state that other investments not considered may have characteristics similar or superior to those being analyzed; and,
* State that the tool generates outcomes that are hypothetical in nature.
* “Investment analysis tool” means an interactive technological tool that produces simulations and statistical analysis that present the likelihood of various investment outcomes if certain investments are made or certain investment strategies or styles are undertaken, thereby serving as an additional resource to investors in the evaluation of potential risks and returns of investment choices.

**PERFORMANCE ADVERTISING PROCEDURES**

* The CCO is responsible for review and approval of any advertisements containing performance information to ensure that they are presented in accordance with the relevant requirements, include all required related portfolios, and reflect prescribed time periods.
* The use of hypothetical performance in advertising materials is strictly prohibited unless reviewed and approved by the Firm prior to use.
* The CCO will determine if advertisement is relevant to the Firm and the investment objectives of the intended audience of the advertisement.
* The CCO will review, determine, and document if advertising of past performance of specific securities that were or may have been profitable to the Firm are fair and balanced, depending on the facts and circumstances.
* The CCO will review and determine the appropriate disclosure used for the advertisements continuing performance.

**BOOKS AND RECORDS**

Below is a sample of the books and records to be maintained:

* Communications relating to the performance or rate of return of any portfolios;
* Accounts, books, internal working papers, and other documents necessary to form the basis for or demonstrate the calculation of the performance or rate of return of any portfolios;
* Records supporting hypothetical performance to include copies of all information provided or offered pursuant to the hypothetical performance provisions of the Marketing Rule;
* Records of who the “intended audience” is pursuant to the hypothetical performance and model fee provisions of the Marketing Rule;
* Documentation of communications relating to predecessor performance.

Documentation sufficient to support the calculation of all performance results presented in advertising/marketing materials will also be maintained by the CCO for a period of five years from the last date of distribution of such advertising/marketing material that contained the performance results.

## MARKETING PROCEDURES FOR SOCIAL MEDIA

* Supervised Persons must obtain prior approval from the CCO for static content on social media sites (such as profiles, articles, scripted blog posts). No prior approval is required for real‐time interactive communications, but this content must be reported to the CCO, and will be monitored by the firm.
* The Firm maintains one or more firm‐sponsored social media accounts. Only approved Supervised Persons may post to a firm‐sponsored social media account, and all posts made by Supervised Persons, including those made by the CCO, must be done in compliance with these policies and procedures.
* The Firm generally prohibits the use of the Firm’s name or any reference to our business activities on Supervised Persons’ personal social networking accounts (e.g., Facebook). Exceptions may be made only when such accounts are used for business purposes (e.g., LinkedIn) and when the content conforms to Firm’s policies and procedures.
* The Firm generally allows use by Supervised Persons of the Firm’s name and other “business card” information on an exclusive list of social networking sites approved in writing by the CCO (e.g., Facebook and LinkedIn), as long as such use does not include client information or investment related data such as investment recommendations, specific investment services, or investment performance.
* The Firm utilizes a third‐party vendor for social media archive and review. All social media accounts used for business must be registered with the Firm’s vendor.
* Supervised Persons of the Firm are prohibited from participating in discussions in internet forums, blogs or the firm's website, or posting to social media sites, without prior written approval from the CCO, regarding the following:
	+ - * Firm’s specific investment services;
			* Investment recommendations or advice; or
			* Investment performance.
* Customer rating from services such as Yelp and Google My Business. As long as the Firm does not adopt or become entangled (see definition of *third‐party content*) this is not considered marketing material.

## PUBLIC APPEARANCES

* All public appearances must be pre‐approved and must include any handouts.
* If the presentation is pre‐planned such as a webinar or speech, the text or an outline must be submitted for pre‐approval.
* If the presentation is not pre‐planned, such as a media interview, any discussion of specific securities or account/composite/model performance is prohibited.

## MARKETING DEFINITIONS

*Principles‐Based* -The Rule is principles‐based and judgements are shaped by regulatory guidance and enforcement precedence. Marketing fluff and hyperbole are not acceptable. Regulators take a strict interpretation of factual statements. If there is one exception, the statement is false. Due to this strict interpretation, most marketing utilizes hedging language. For example, instead of stating “We help our clients achieve their financial objectives,” a more appropriate hedged statement would be “Our goal is to help clients achieve their financial objectives.”

***“Clear and Prominent Disclosure”***

In order to be clear and prominent, the disclosures must be at least as prominent as the testimonial or endorsement. In other words, we believe that the “clear and prominent” standard requires that the disclosures be included within the testimonial or endorsement, or in the case of an oral testimonial or endorsement, provided at the same time. Hyperlinks generally do not meet the clear and prominent standard. Finally, depending on the medium and nature of the material, layered disclosures (as opposed to all at the end) may be appropriate. For example, an advertisement intended to be viewed on a mobile device, may meet the standard in a different way than one intended to be seen as a print advertisement (e.g., a person viewing a mobile device could be automatically redirected to the required disclosure before viewing the substance of an advertisement). Other means of providing layered disclosure would include QR codes or mouse‐over windows.

***“De minimis compensation”***

Compensation paid to a person for providing a testimonial or endorsement of a total of $1,000 or less (or the equivalent value in non‐cash compensation) during the preceding 12 months.

***“Disqualifying Commission action”***

A Commission opinion or order barring, suspending, or prohibiting the person from acting in any capacity under the Federal securities laws.

***“Disqualifying event”***

Any of the following events that occurred within 10 years prior to the person disseminating an endorsement or testimonial:

1. A conviction by a court of competent jurisdiction within the United States of any felony or misdemeanor involving conduct described in paragraph (2)(A) through (D) of section 203(e) of the Act;
2. A conviction by a court of competent jurisdiction within the United States of engaging in, any of the conduct specified in paragraphs (1), (5), or (6) of section 203(e) of the Act;
3. The entry of any final order by any entity described in paragraph (9) of section 203(e) of the Act, or by the U.S. Commodity Futures Trading Commission or a self‐regulatory organization (as defined in the Form ADV Glossary of Terms)), of the type described in paragraph (9) of section 203(e) of the Act;
4. The entry of an order, judgment or decree described in paragraph (4) of section 203(e) of the Act, and still in effect, by any court of competent jurisdiction within the United States; and
5. A Commission order that a person cease and desist from committing or causing a violation or future violation of:
	* + - 1. Any scienter‐based anti‐fraud provision of the Federal securities laws, including without limitation section 17(a)(1) of the Securities Act of 1933 (15 U.S.C. 77q(a)(1)), section 10(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78j(b)) and 17 CFR 240.10b‐5, section 15(c)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(c)(1)), and section 206(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b‐6(1)), or any other rule or regulation thereunder; or
				2. Section 5 of the Securities Act of 1933 (15 U.S.C. 77e);
6. A disqualifying event does not include an event described in paragraphs (4)(i) through of this section with respect to a person that is also subject to:
	* + - 1. An order pursuant to section 9(c) of the Investment Company Act of 1940 (15 U.S.C. 80a‐3) with respect to such event; or
				2. A Commission opinion or order with respect to such event that is not a disqualifying Commission action; provided that for each applicable type of order or opinion described in paragraphs (4)(vi)(A) and (B) of this section:

The person is in compliance with the terms of the order or opinion, including, but not limited to, the payment of disgorgement, prejudgment interest, civil or administrative penalties, and fines; and

For a period of 10 years following the date of each order or opinion, the advertisement containing the testimonial or endorsement must include a statement that the person providing the testimonial or endorsement is subject to a Commission order or opinion regarding one or more disciplinary action(s), and include the order or opinion or a link to the order or opinion on the Commission’s website.

 ***“Extracted performance”***

The performance results of a subset of investments extracted from a portfolio.

***“Gross performance”***

The performance results of a portfolio (or portions of a portfolio that are included in extracted performance, if applicable) before the deduction of all fees and expenses that a client or investor has paid or would have paid in connection with the investment adviser’s investment advisory services to the relevant portfolio.

***“Hypothetical performance”***

Performance results that were not actually achieved by any portfolio of the investment adviser. Hypothetical performance includes, but is not limited to:

(i) Performance derived from model portfolios;

(ii) Performance that is backtested by the application of a strategy to data from prior time periods when the strategy was not actually used during those time periods; and

(iii) Targeted or projected performance returns with respect to any portfolio or to the investment advisory services with regard to securities offered in the advertisement.

(iv) Hypothetical performance does not include:

(A) An interactive analysis tool where a client or investor, or prospective client, or investor, uses the tool to produce simulations and statistical analyses that present the likelihood of various investment outcomes if certain investments are made or certain investment strategies or styles are undertaken, thereby serving as an additional resource to investors in the evaluation of the potential risks and returns of investment choices; provided that the investment adviser:

(1) Provides a description of the criteria and methodology used, including the investment analysis tool’s limitations and key assumptions;

(2) Explains that the results may vary with each use and over time;

(3) If applicable, describes the universe of investments considered in the a analysis, explains how the tool determines which investments to select, discloses if the tool favors certain investments and, if so, explains the reason for the selectivity, and states that other investments not considered may have characteristics similar or superior to those being a analyzed; and

(4) Discloses that the tool generates outcomes that are hypothetical in nature; or

(B) Predecessor performance that is displayed in compliance with paragraph (7) of this section.

***“Ineligible person”***‐

A person who is subject to a disqualifying Commission action or is subject to any disqualifying event, and the following persons with respect to the ineligible person:

(i) Any employee, officer, or director of the ineligible person and any other individuals with similar status or functions within the scope of association with the ineligible person;

(ii) If the ineligible person is a partnership, all general partners; and

(iii) If the ineligible person is a limited liability company managed by elected managers, all elected managers.

***“Net performance”***

The performance results of a portfolio (or portions of a portfolio that are included in extracted performance, if applicable) after the deduction of all fees and expenses that a client or investor has paid or would have paid in connection with the investment adviser’s investment advisory services to the relevant portfolio, including, if applicable, advisory fees, advisory fees paid to underlying investment vehicles, and payments by the investment adviser for which the client or investor reimburses the investment adviser. For purposes of this rule, net performance:

(i) May reflect the exclusion of custodian fees paid to a bank or other third‐party organization for safekeeping funds and securities; and/or

(ii) If using a model fee, must reflect one of the following:

(a) The deduction of a model fee when doing so would result in performance

figures that are no higher than if the actual fee had been deducted; or

(b) The deduction of a model fee that is equal to the highest fee charged to the

intended audience to whom the advertisement is disseminated.

 ***“Portfolio”***

A group of investments managed by the investment adviser. A portfolio may be an account or a private fund and includes, but is not limited to, a portfolio for the account of the investment adviser or its advisory affiliate (as defined in the Form ADV Glossary of Terms).

 **“Predecessor performance”**

Investment performance achieved by a group of investments consisting of an account or a private fund that was not advised at all times during the period shown by the investment adviser advertising the performance.

 **“Private fund”**

The same meaning as in section 2(a)(29) of the Investment Company Act of 1940.

***“Related performance”***

Performance results of one or more related portfolios, either on a portfolio‐by‐portfolio basis or as a composite aggregation of all portfolios falling within stated criteria.

 ***“Related portfolio****”*

Portfolio with substantially similar investment policies, objectives, and strategies as those of the services being offered in the advertisement.

***“Supervised person”***

The same meaning as in section 2(a)(25) of the Investment Company Act of 1940.

 ***“Third‐Party Content****” ‐*

Definition of advertisement includes “any direct or indirect communication” of an adviser. This means that a communication distributed by an agent or intermediary on behalf of an adviser would generally be considered an “advertisement” of the adviser. The Adopting Release defined the concepts of “adoption” and “entanglement” in the context of third‐party content on company websites, the Adopting Release also notes that third party information may be an indirect “advertisement” if the adviser has either endorsed or approved the information after publication or involved itself in the preparation of the information.

***“Third‐party rating”***

A rating or ranking of an investment adviser provided by a person who is not a related person (as defined in the Form ADV Glossary of Terms), and such person provides such ratings or rankings in the ordinary course of its business.

# ELECTRONIC COMMUNICATIONS – DELETE LANGUAGE IN THIS SECTION HIGHLIGHTED IN BLUE

## OBJECTIVE

The objective of this Electronic Communications policy is to ensure that all [Abbreviation of Firm]’s employees, clients, consultants, vendors or any persons doing business with [Abbreviation of Firm] use [Abbreviation of Firm]’s electronic resources in a manner that serves the purpose of supporting [Abbreviation of Firm]’s business and supports [Abbreviation of Firm]’s other policies. The policy is intended to sustain employee productivity while maintaining [Abbreviation of Firm]’s reputation. It is also provided to safeguard [Abbreviation of Firm]’s confidential information, as well as [Abbreviation of Firm]’s client s’ and employees’ sensitive information. The policy also serves to limit the possibility of damage to and unauthorized access and use of [Abbreviation of Firm]’s systems and data.

## SUPERVISORY RESPONSIBILITY

The CCO shall be responsible for ensuring that [Abbreviation of Firm]’s electronic communications systems are being utilized solely for authorized business purposes in conformance with applicable laws, rules and regulations, including all policy and procedures set forth herein. As used in this policy, the term "electronic communications" includes, but is not necessarily limited to business communications made through any of the following media (“Media”):

Voice Communications (Voicemail and Telephones, including Internet and cellular telephone devices and related protocols);

Mobile computing devices (iPads, tablets, etc.);

Electronic mail (e-mail, instant, direct and text messaging)*;*

Facsimile, including e-fax services;

The Internet and intranet, including the Web, file transfer protocols (“FTP"), Remote Host Access, etc.;

Video teleconferencing; and

Peripheral Devices (iPods, USB, and thumb drives, etc.)

## GENERAL POLICY

The following summarizes the key points of [Abbreviation of Firm]’s electronic communications policy:

[Abbreviation of Firm]’s electronic communications systems are to be used for business purposes only.

Without the prior consent of the CCO, electronic communications with clients, regulators or the public concerning Firm business are permitted only on Firm communications systems.

Electronic communications are not private and may be monitored, reviewed, and recorded by [Abbreviation of Firm].

No employee, other than specifically authorized personnel, is permitted to post anything on [Abbreviation of Firm]’s Web site.

Without the pre-approval of the CCO, no employee may post any information concerning [Abbreviation of Firm], its business, or clients to the Internet (or similar third-party system), containing references to [Abbreviation of Firm], communications involving investment advice, references to investment-related issues or information or links to any of the aforementioned.

Any communication by [Abbreviation of Firm]’s IAR(s) is subject to the following requirements, regardless of Media used:

A books and records maintenance requirement (*See* ***Books and Records***);

~~The prohibition against the use of testimonials (~~*~~See~~* ***~~Advertising & Marketing~~***~~);~~

The implementation of security and protection policies (See Privacy Protection and Information Security Policies—Regulation S-P and Written Information Security Policy--WISP)

Written supervisory policies;

[Abbreviation of Firm]’s ***Code of Ethics***.

## ELECTRONIC DELIVERY OF INFORMATION

An employee’s ability and freedom to use [Abbreviation of Firm]’s Media is limited as follows:

Employees have no right to privacy when using [Abbreviation of Firm]’s Media. Employees should assume that any information stored, processed or accessed on [Abbreviation of Firm]’s systems is not private and subject to review by the Firm and regulators.

Employees may not send, display, or store any material in any electronic format that violates any policy of [Abbreviation of Firm].

If using the forms of Media outlined above, employees may send information to clients and other parties (such as, brokers, custodians, and banks) electronically, being mindful of the requirements of keeping client information private as outlined within the Firm’s Privacy Policy. The employee should take steps to reasonably ensure the electronic form of the information is substantially comparable to the paper form of the same information.

## REVIEW

The CCO or a designee shall review the Firm’s use of electronic communications at regular and frequent intervals to ensure the following:

1. Notice. That electronic notifications to clients are sent in a timely manner and are adequate to properly convey the message;
2. Access. That clients who are provided with information electronically are also given access to the same information as would be available to them in paper form; and
3. Security. That reasonable precaution is taken to ensure the integrity, confidentiality and security of information sent through electronic means and that such precautions have been tailored to the medium used.

## MARKETING& ADVERTISING SALES LITERATURE

Where an electronic medium is used to disseminate advertisements for [Abbreviation of Firm]’s services or other information that is not subject to a delivery requirement, it will be subject to the same requirements that apply to such communications made in paper form, and as established in [Abbreviation of Firm]’s policy on Marketing & Advertising.

## POLICY REGARDING ANY FIRM ELECTRONIC COMMUNICATION

[Abbreviation of Firm] has adopted procedures to implement the Firm's policy and conducts reviews to monitor and ensure that the Firm's policy is observed, implemented properly, and amended or updated, as appropriate, which include the following:

The Firm's Electronic Communications Policy has been communicated to all persons within the Firm and any changes in this policy will be promptly communicated;

Copies of any electronic communications relating to the Firm's advisory services and client relationships will be maintained and monitored by the CCO on an on-going or quarterly basis through appropriate software programming or sampling of e-mail, as the Firm deems most appropriate based on the size and nature of the Firm and its business;

Electronic communications records will be maintained and arranged for easy access and retrieval so as to provide true and complete copies with appropriate backup and separate storage for the required periods; the CCO may conduct periodic Internet searches to monitor the activities of employees to determine if such persons are engaged in activities not previously disclosed to and/or approved by the Firm; and

Electronic communications will be maintained in electronic format, readily accessible at any time by the CCO and for purposes of, among others, examination by regulators, for a period of five (5) years.

## TEXT MESSAGING POLICY

Regulators have classified text messaging as a form of electronic communication requiring supervision and retention. Regulators have noted in the context of addressing the supervision and recordkeeping requirements for text messaging that a Firm’s obligation to supervise electronic communications is based on the content and audience of the message, not the electronic form of the communication. It is clear that text messages are not exempt from the requirements despite the challenges associated with supervision and retention.

Given the position on text messaging, along with the logistical challenges of supervising and archiving text messages, [Abbreviation of Firm]’s policy is as follows:

[OPTION 1 NO TEXTING ALLOWED]:

All employees are strictly prohibited from using text messaging as a means to communicate any business-related information.

[OPTION 2 TEXTING ALLOWED]:

It is the policy of [Abbreviation of Firm] to allow its IARs to use text messaging as a means to communicate business related information, subject to the policies within this Electronic Communications section, relating to its use.

All new employees must sign this attestation upon hire, indicating that they have read and understand our text messaging policy, and annually thereafter indicating their ongoing adherence to the policy.

## STANDARDS FOR INTERNET AND E-MAIL COMMUNICATIONS

Electronic Communications are not private or reliable. Electronic communications may be widely disseminated. Electronic communications may not be suitable and should not be used for communications that must remain confidential or private.

Contents of external messaging should be limited to information that is already in the public domain. There should be no expectation of privacy in electronic communications. Due to the nature of electronic communications systems in general, there is no guarantee that a message or other electronic communication will reach its destination in a timely manner or that it will reach its destination at all.

Communications must conform to appropriate business standards and the law. Users of [Abbreviation of Firm]’s electronic communications systems are expected to follow appropriate business communication standards. Users must comply with all applicable international, federal, state, and local laws. Violations of these procedures may result in written sanctions, monetary penalties, or loss of position. Any questions regarding these, or any policies or procedures should be directed to the CCO. The following guidelines apply:

Electronic communications should contain the most recent, valid information available.

Communications received with inappropriate content must be deleted/discarded immediately.

Unauthorized dissemination of proprietary information is prohibited.

Unauthorized copying or transmitting software or other materials protected by copyright law is prohibited.

Unauthorized use of the email system to send client personal and sensitive information to employees’ personal email is strictly prohibited.

Non-Firm sponsored electronic communications systems should not be used for Firm business without prior approval from the CCO.

Access to each employee's computer, telephone and other electronic communications systems should be reasonably safeguarded. Passwords should be kept in a secure location.

Personnel must preserve electronic communications sent and received according to Firm and regulatory requirements. Firm polices for record retention apply to electronic communications in the same manner as they apply to any other written communications.

Communications with the public may require pre-approval in accordance with other Firm policies. If in doubt, it is the employee's responsibility to check with the CCO before disseminating information via electronic or conventional means.

Electronic communications through [Abbreviation of Firm]’s systems are the property of [Abbreviation of Firm]. [Abbreviation of Firm] reserves the right to monitor, audit, record or otherwise retain electronic communications at any time for appropriate business usage, standards, and compliance with this policy, applicable laws, and regulations.

## EMAIL POLICY

[Abbreviation of Firm]'s policy provides that e-mail and other electronic communications are treated as written communications and that such communications must always be of a professional nature. Our policy covers electronic communications for the Firm, to or from our clients and any personal e-mail communications within the Firm. Personal use of the Firm's e-mail and any other electronic systems is strongly discouraged. Also, all Firm and client related electronic communications must be on the Firm's systems, and use of personal e-mail addresses, personal social networks and other personal electronic communications for Firm or client communications is prohibited. (See also the ***Social Media and Blogging Policy***).

Each employee has an initial responsibility to be familiar with and follow the Firm's e-mail policy with respect to their individual e-mail communications. CCO has the overall responsibility for making sure all employees are familiar with the Firm's e-mail policy, as well as implementing and monitoring its e-mail policy, practices, and recordkeeping.

## SOCIAL MEDIA AND BLOGGING POLICY

It is the policy of [Abbreviation of Firm] to [allow/not allow] its IARs to maintain social media accounts consisting of personal blogs and LinkedIn, Twitter, and Facebook accounts, subject to the following policies relating to their permitted usage of such accounts.

Additional social and web accounts are also permitted at the following sites and/or networks:

[Name and web address];

[Name and web address];

[Name and web address].

To meet its supervisory obligations, [Abbreviation of Firm] requires all of its IARs’ Firm-related social media and/or blogging accounts to be loaded into the Firm’s document archival system, electronic or otherwise.

In addition, each IAR who uses social media shall:

Notify the CCO in writing of their existing and any new social media accounts or blogs he or she may have or wishes to create;

Provide the CCO with the name of the account for input into the archival system;

Sign an authorization giving [Abbreviation of Firm] authority to monitor the account for purposes of its supervisory obligations;

Maintain a copy of the CCO’s written approval for each social media account he or she has opened; and

On an annual basis, sign an attestation that all social media accounts and/or blogs he or she has used during the prior year have been previously reported to the CCO and if one or more are no longer in use, a statement to that effect.

Be trained in [Abbreviation of Firm]’s *Social Media and Blogging Policy*.

Cease using social media in connection with the Firm or its clients when the IAR is no longer associated with [Abbreviation of Firm].

Ensure that any third party employed to manage social media and acting on behalf of IAR or [Abbreviation of Firm] must comply with the Firm’s policies and procedures.

~~Social media policies for IARs are, in most cases, similar to, if not identical to the Firm’s pre-existing considerations with respect to its advertising policies under 206(4)-1~~. Although not exclusively limited to the following suggestions, it is [Abbreviation of Firm]’s policy that when using advisory social media, the IAR should generally:

~~Prohibit posting of or linking to comments or content that violates copyright, is harassing, offensive, defamatory, indecent or misrepresents the stated policies, practices, or performance returns of investment strategies provided by [Abbreviation of Firm].~~

Be honest and consistent with prior professional comments the IAR has provided to clients while providing investment advisory services or in presentations previously made on behalf of the Firm.

Not include IAR comments that are in retaliation to negative posts or comments received on the IAR’s site. If warranted, the IAR should work through the CCO or designee to address any issues that are directly related to client issues identified in such posts.

~~Prohibit the acceptance of third-party testimonials or recommendations if the IAR has mentioned or otherwise indicated that he or she provides investment services on the social media site. While a testimonial as to the IAR’s character may or may not be allowable, the SEC has not yet given any leeway to the general prohibition against the use of testimonials by investment advisory professionals, at least if the communication is considered an advertisement. While the IAR cannot delete previously accepted testimonials, it is possible to block them from view, which the IAR should do by going into their social media site and following the steps to block from view any testimonials that he or she currently may have. Failure to reject or block previously accepted testimonials might subject the IAR to the Firm placing restrictions on the IAR’s future social media usage or to possible disciplinary sanctions.~~

~~Prohibit the IAR’s use of the “like” feature on the social media sites of others or from re-tweeting materials unless the Firm is fully comfortable with accepting the information that the IAR “liked” or “re-tweeted” as their own. If at all possible, the IAR should disable the “like” button on their site or blog and remove any instances where someone indicated liking material on these sites as soon as possible. Third party use of the “like” button could easily be considered an implied testimonial and thus would be prohibited under Rule 206.~~

Not include any favorable comment on the IAR’s social media posts or blogs from themselves through other social media accounts the IAR may have.

Protect the client’s privacy by prohibiting the use of a client’s name, address, identification information, financial, account holdings or any other information specific to a client on the IAR’s social media site.

Prohibit the IAR from using Facebook Chat for business related communication.

Require any IAR who is also a registered representative to notify their broker dealer prior to making any LinkedIn or other social media profile change or other change that would be considered to be static content for pre-approval or content that would be considered sales literature prior to implementing the change on their social media site.

Prohibit IARs from providing legal or tax opinions or making specific investment recommendations on their social media site.

Prohibit the IAR from making any negative references about the Firm on his or her social media site, or from making any misrepresentation as to his or her title, responsibilities, or function with the Firm.

Require the IAR to refrain from using superlatives, exaggeration or anything that might suggest a guaranteed return or guaranteed successful results.

Require the IAR to refrain from the use of industry jargon, consider his or her audience and prepare any posted materials so that his or her least sophisticated client can clearly understand them.

Prohibit the use of a chart, graph, formula, or other tool on the IAR’s social media site that is to be used in determining which securities to buy or sell or when to do so.

~~Require the IAR to follow standard performance guidelines in presenting adviser performance including the requirement to show returns net of applicable advisory fees and other required charges on the account.~~

Not offer any report, service or analysis labeled as free on the IAR’s social media site or blog unless it is in fact free with no further obligation or commitment.

Not disclose any material non-public information in the IAR’s possession.

Not discuss or disclose the Firm’s proprietary information, intellectual property interests or other trade secrets on their social media site.

Use appropriate disclosures as to the IAR’s business affiliations, relevant conflicts of interest and correctly attribute ownership of any comments, statements, or quotes to their originator.

IAR posts as advertisements may not have any untrue statement of material fact or otherwise be false or misleading.

## LICENSING

Care must be taken to ensure that electronic communications directed to a person in a particular state comply with the securities law of that state, including without limitations, requirements that [Abbreviation of Firm] has first notice filed in that state or has otherwise qualified for an exemption or exclusion from such requirement. [Abbreviation of Firm]’s electronic communications systems must not be used to attempt to effect any transaction in securities, or to render investment advisory services for compensation in any state in which [Abbreviation of Firm] is not properly notice filed.

## ~~BOOKS AND RECORDS~~

~~While it is unclear whether all social media should be considered an advertisement and as such required information to be maintained for a minimum of five (5) years, as a best practice, the Firm should capture and store as any other Firm record, any social media content that relates at all to the Firm, whether it be in the form of a mention, contact, marketing blurb, blog, performance report, tweet or re-tweet, a Facebook fan page or wall, a LinkedIn profile or otherwise.~~

## ~~ADVERTISING~~

Pre-approval of static posts to a social media site is not a regulatory requirement under the Act. No specific formal archival process is mandated for maintenance and mediation of social media, but as with email, the SEC and states expect one.

## SUPERVISORY POLICIES

[Abbreviation of Firm] will periodically monitor the social media archive to identify any instances of misuse with respect to the requirements above. Should inappropriate comments or materials be found on an IAR’s social media site, an in-depth review of the IAR’s other social media content will be conducted. Action to be taken by the Firm shall be dependent on the results of the investigation and may include:

Remedial training on Firm advertising and social media policies.

Prohibiting the IAR from any future use of the social media site.

Suspension or termination of employment as an IAR.

# CODE OF ETHICS

[Abbreviation of Firm] has developed a separate document to specifically address the Firm’s policy and procedures for a Code of Ethics. Refer to the ***Code of Ethics*** located in ***Appendix B*** of this Compliance Manual.

# PORTFOLIO MANAGEMENT

## PORTFOLIO MANAGEMENT AND TRADING PROCESS

The Firm provides discretionary [and non-discretionary] portfolio management on a continuous basis. Portfolio management services will not be rendered prior to the client entering into a written agreement for services, which shall be maintained in the requisite client file. It is [Abbreviation of Firm]’s strict policy that only RIA affiliated persons of the Firm shall exercise limited discretionary authority over client accounts.

Subject to a grant of discretionary authority, the Firm, through its IARs, shall invest and reinvest the securities, cash or other property held in the client’s accountin accordance with the client’s stated investment objectives as identified by the client during initial interviews and information gathering sessions. The Firm’s IARs are granted discretion pursuant to authorization provided in the executed agreement for services, which is maintained in the relevant client file.

When a transaction takes place, an IAR will create the order, route it to the trader who will then execute the trade.

## DEFINED CUSTODIAN

Client accounts will be held in custody by a qualified custodian (the “Qualified Custodian”) or the product vendor, and securities will be purchased or sold through qualified custodians or directly through the product vendor’s trading platform. Clients must utilize the services of a Qualified Custodian in order to participate in asset management services offered by [Abbreviation of Firm].

## RESEARCH PROCESSES

Research is conducted internally utilizing information obtained from a wide variety of sources. Increasingly, the Internet and new databases provide a wealth of ideas and information to enhance [Abbreviation of Firm]’s research. The priority is for IARs to build up their knowledge and insights on an industry or company, and to exploit the vast wealth of information that is increasingly available.

Industry research is used to supplement the Firm's own research efforts. Examples of on-line resources include, but are not limited to, Morningstar, Standard & Poors and Investment Business Daily.

## VALUATION OF SECURITIES

[Abbreviation of Firm] will use information provided by the client’s custodian as its main pricing source for purposes of valuing client portfolios, both for fee billing and investment performance calculation purposes.

In the rare instance where [Abbreviation of Firm] believes that the custodian is not pricing a security fairly or where a security has halted trading, members of the Firm will determine a fair value for that security. When determining a fair value for a security, [Abbreviation of Firm] will attempt to obtain a quote from at least one independent pricing source, preferably two or more. The Firm will make a determination as to whether these quotes represent fair value. If [Abbreviation of Firm] is unable to obtain quotes or determine the quotes received do not represent fair value, the Firm will establish a fair valued price for the security based on their knowledge of the security and current market conditions, among any other considerations deemed appropriate. The Firm will also document the rationale used to establish a fair valued price for the security.

## ACCOUNT REVIEW POLICY

The portfolio management function is a dynamic activity. Securities are constantly analyzed for investment merit within client accounts, and portfolios are periodically reviewed by the Firms COO and IARs. The Firm provides ongoing oversight review of the accounts by conducting surveillance procedures, including, but not limited to, the following:

## SUITABILITY

Accounts are periodically reviewed for consistency between the investment objectives and risk tolerance as represented on a client’s Clients Data Questionnaire / New Account Form, and the actual holdings in the client’s account.

IARs with accounts noted for further review due to suitability exceptions are provided with a list of the noted accounts. IARs with accounts indicating further review are contacted by telephone, mail, email or facsimile, and are asked to review the accounts and take appropriate corrective action, which may be to rebalance the account consistent with the client’s stated investment objectives, financial needs, and risk tolerance, with the client’s authorization (for non-discretionary accounts), obtain a revised New Account Form updating the client’s investment objectives and risk tolerance consistent with the account’s current allocations, or a combination of both. Noted accounts and follow-up action are tracked to ensure issues are resolved.

## CONCENTRATED ACCOUNTS

Accounts are periodically reviewed for high concentrations in individual positions and are targeted for further review. Accounts with concentrations in single asset positions that appear to be inconsistent with the client’s stated investment objectives, financial needs, and risk tolerance are targeted for further review.

Consideration is given to other relevant factors, including related accounts with additional assets.

IARs with concentrated accounts targeted for further review are contacted by telephone, mail, facsimile or email, and are asked to review the accounts and take appropriate action, which may include liquidating a portion of the concentrated position, or obtaining the client’s signature on a Concentrated Security Positions letter, in which the client acknowledges the risks associated with holding a concentrated position, the ongoing management fees assessed on that position, and the client’s intent to continue to hold the position in the account. Noted accounts and follow-up action are tracked to ensure that any issues are resolved.

## INACTIVE ACCOUNTS

[Abbreviation of Firm] periodically reviews inactive accounts and initiates contact with the IAR responsible for managing the accounts. In general, [Abbreviation of Firm] considers an account to be “inactive” if the account has had no trading activity within the previous 12 months.

Although [Abbreviation of Firm] does not encourage unnecessary trading activity, it is important that the IAR is able to provide evidence of continuous management of the account since the inception date. To this end, IARs are reminded to continually monitor their client accounts and discuss existing positions, particular client circumstances, reasons for inactivity, and potential changes to the portfolio that may be warranted or recommended in further management of their client accounts. IARs are further instructed to document all client conversations or meetings as a means to demonstrate their ongoing management of the accounts. IARs are free to use whatever means necessary or appropriate to document regular ongoing management and client contact.

IARs with accounts deemed inactive are contacted by the CCO. IARs are asked to review the account and provide a written description of the ongoing contact with the client or copies of documentation of written contact for each of the targeted client accounts to demonstrate that the allocation remains consistent with the client’s stated objectives. Noted accounts and follow-up action are tracked to ensure discrepancies are resolved.

## REVIEW PROCEDURES

Client accounts are monitored periodically. Formal reviews may be provided at the client’s request, based on deposits and/or withdrawals in the account, material changes in the client’s financial condition, or at the IAR’s discretion. ~~Personnel currently conducting reviews must be disclosed in Part 2A and Form CRS of the Form ADV.~~ The Firm monitors the investment positions on a periodic basis.

## ACCOUNT STATEMENTS

The custodian holding the client’s funds and securities will send the client a confirmation of every securities transaction and a brokerage statement at least quarterly. Additional information related to the Firm’s portfolio management and trading procedures is detailed in the executed agreement for services located in the specific client file, in the Form ADV 2A and Form CRS.

## COMPLIANCE WITH INVESTMENT POLICIES/PROFILES, GUIDELINES AND LEGAL REQUIREMENTS

The following Policy is designed to ensure that the Firm manages each of its client accounts in accordance with the investment policies, restrictions, guidelines, and legal requirements (collectively, “Investment Restrictions”) applicable to that account.

## PROHIBITED PRACTICES

The following is a non-exhaustive list of activities in which advisors are prohibited from engaging.

* Recommending or engaging in acts designed to conceal or disguise a client's identity, the source of investment funds, or to avoid regulatory recordkeeping.
* Directly or indirectly sharing in the profits or losses of a client's account.
* Directly or indirectly sharing commissions received for a securities transaction with an unregistered person, or a person registered with another broker-dealer, without the prior written approval from CCO.
* Agreeing to repurchase a security from a client.
* Accepting a check from a client made payable to any person or entity other the registered investment advisory Firm or Custodian.
* Forwarding, or agreeing to forward, original confirmations or account statements to an address other than the address provided on the client's New Account Application and Agreement.
* Accepting cash or money orders from a client.
* Establishing escrow or collateral accounts without the prior written approval of CCO.
* Taking proxy authority or voting proxies that are solicited for securities held in any advisory or brokerage account, unless Proxy Voting is part of the Firm’s procedures for all clients.
* Recommending or using any form of credit related liquefied home equity from a client's primary residence, secondary residence, or any investment property for the purpose of investing in any security, variable insurance, approved outside products such as fixed insurance, investment advisory products, or any products and services offered or sold in the capacity of a registered representative or investment advisor representative. An accommodation for an Advisor to be able to discuss with a client obtaining liquefied equity on the client's property is subject to Compliance approval and may be considered under limited circumstances. For purposes of clarification, the use of excess mortgage proceeds for investment from the sale of a home (i.e., downsizing) would be permissible in the event it was not a strategy recommended to a client and the client did not obtain new mortgage related funds for the purchase of their residence.
* Providing tax advice to clients. Clients should be advised to consult their own tax advisor.
* Providing legal advice to clients. Prohibited legal advice includes, but is not limited to, advice on wills, joint ownership of property, transfers, or distribution of property after death or how to take title on an account.
* Providing Verification of Deposit (VOD) letters to third parties or creating a VOD letter with the intention of it being distributed to a third party. A Verification of Deposit, or VOD, is a document requested by a third party, usually a lender, and signed by the financial institution to verify a client's financial holdings. The verification of deposit must come from the Custodian as the holder of assets.

## SOURCE OF FUNDS

Source of funds and long-term risk considerations are a concern for all types of accounts. While requirements do not specifically refer to age or life stage for risk, all of the following factors should be considered when making recommendations to investors:

* Source of funds
* Source of income
* Current and future prospects for employment
* Income needed to meet fixed or anticipated expenses
* Savings for retirement and how they are invested
* Liquidity needs
* Financial and investment goals
* Primary expenses including whether the customer still has a mortgage

Recommending or using any form of credit related to liquified home equity from a client's primary residence, secondary residence, or any investment property for the purpose of investing at our Firm is prohibited. This restriction applies to both an advisor representative soliciting this type of business as well as a client requesting such a transaction. Recommending, selling, or facilitating the sale of a reverse mortgage is also prohibited. Likewise, cash out refinances or reverse mortgages for investment purposes cannot be recommended.

Once an advisor representative becomes aware that funds have been sourced from home credit, the advisor representative is required to refrain from investing it with the Firm. The prohibited forms of investing include any security, variable insurance, approved outside product such as a fixed insurance, investment advisory products, or any products and services offered or sold in the capacity of a registered representative or investment advisor representative.

Advisor representatives are permitted to provide clients with educational information regarding reverse mortgages, including how they work as well as the advantages and disadvantages and may also direct clients to the National Council on aging to obtain further information.

All inquiries regarding this policy at the Firm shall be directed to the CCO.

## SOURCES OF INVESTMENT RESTRICTIONS

There may be a number of different sources of Investment Restrictions for a particular account. The principal sources of Investment Restrictions for client accounts typically include the investment advisory agreement or other instrument under which the account was established, and/or other directions or guidelines established by the client and communicated to the Firm.

In addition, there are various other possible sources of Investment Restrictions for each account, including the Firm’s own internal policies (which may further restrict how an account may be managed) and applicable law, which may include, but is not limited to:

the Advisers Act and interpretations thereunder;

the Employee Retirement Income Security Act of 1974 ("ERISA"), and related regulations and interpretations of the U.S. Department of Labor (applicable to almost all pension funds, other than governmental and church funds);

other state statutes, regulations and agency interpretations governing investments of various kinds of governmental assets, including assets belonging to state governments, municipal governments, state and municipal agencies, authorities and instrumentalities, and pension funds for public employees (these laws differ from state to state and for different categories of accounts even within a single state);

U.S. state and federal laws, and foreign laws, regulating the amount of stock in certain kinds of companies that can be held by accounts owned or managed by a single Firm (or group of related companies); and

insider trading laws.

In addition to laws that limit investments that can be made for a client account, there are other laws that prohibit or limit transactions between a client account and the Firm or its affiliates, and laws that prohibit or limit transactions between certain kinds of client accounts (e.g., ERISA/pension fund clients) and affiliates or other related parties of the client. Many of these laws are the subject of specific policies and procedures covered elsewhere in this Compliance Manual. If an IAR or other applicable Supervised Person has any question as to whether a particular investment or transaction is legally permissible for a particular account, he/she should consult with the CCO before taking any action.

## RESPONSIBILITY FOR COMPLIANCE WITH INVESTMENT RESTRICTIONS

Primary responsibility for compliance with the Investment Restrictions applicable to each account rests with the IAR primarily responsible for the day-to-day management of the account.

The IAR for an account is responsible for maintaining a file for that account, containing, among other things, a copy of the investment advisory agreement and/or other instrument establishing the account (including a new account form), a copy of any additional instructions, directions or guidelines established by the client, copies of governing and offering documents for a pooled vehicle, and copies of any correspondence with the client that may bear on the interpretation or application of the Investment Restrictions for that account.

It is the responsibility of each IAR to understand the Investment Restrictions and investor profile that apply to each account under his or her management, and to ensure that any transaction made by the Firm on behalf of each such account satisfies both: (1) the Investment Restrictions and/or Investor profile applicable to that account and (2) basic standards of suitability and prudence. The IAR is also responsible for the continuous review of the holdings of the accounts he or she manages.

The CCO is responsible for general oversight and administration of this Policy and, in this regard, shall conduct periodic reviews in consultation with each IAR of the accounts he or she oversees to assess whether the Investment Restrictions applicable to each such account have been appropriately documented and are understood by the IAR and have been followed in practice.

The foregoing summary is intended only as an overview of investment compliance matters, and questions may arise in the course of managing client accounts. It is the obligation of each IAR or other applicable employee to bring to the attention of the CCO any issues that come to his/her attention relating to compliance with the Investment Restrictions of any account and relating to compliance with applicable laws and regulations.

Upon completion, the information must be submitted to the CCO, who will be responsible for ensuring the information is accurate and complete and will sign the document as evidence of his or her review and approval. The review will include a review for whether the portfolio selected appears to be suitable for the client and whether the client appears to have selected the appropriate portfolio given the responses to the investor profile or a written override has been signed by the client. Any incomplete documentation will be rejected, and no transactions will be allowed for such client until complete information is received. This review and acceptance of new clients must be done prior to the completion of any initial transaction.

**Add this to Portfolio Management section if you participate in a ESG portfolio and investing AND use a rating provider.**

**ESG Ratings**

**Definition**

An ESG Rating is designed to measure a company’s resilience to long-term, industry material environmental, social and governance (ESG) risks. [Insert name of ESG third party rating vendor here] may use a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers.

Typically, ESG fund or ETF scores a rating on a scale from CCC (laggard) to AAA (leader). The rating is based first on the weighted average score of the holdings of the fund or ETF. [Insert name of ESG third party rating vendor here] then assesses ESG momentum to gain insight into the fund’s ESG track record, which is designed to indicate a fund’s exposure to holdings with a positive rating trend or worsening trend year over year. Finally, the [insert name of ESG third party rating vendor here] may review the ESG tail risk to understand the fund’s exposure to holdings with worst-of-class ESG Ratings of B and CCC.

**policy**

Our Firm evaluates ESG-focused ETFs to determine funds that we deem would be fit for the model, while providing global diversification amongst investments. The goal is to attempt to provide similar returns to a market-weighted sleeve of the same asset classes but providing a tilt towards ESG factors.

Upon annual evaluation, all ETFs in the [insert Firm strategy name] are evaluated against the [insert name of ESG third party rating vendor here]’s ESG Rating. Our Firm will consider replacing any fund that falls below an “A” rating.

## MUTUAL FUND SHARE CLASSES

## GENERAL POLICY

The Firm’s policy when selecting mutual funds for a client portfolio is to offer the Institutional Share Class to clients. However, circumstances may be present in which other class shares are offered and in the best interest of the client. If a decision is made to offer a share class other than Institutional Shares, documentation will be maintained to document why the decision was in the best interest of the client. The CCO will review and approve Share Class exceptions.

## PROCEDURES

* The policy and procedures are communicated to the IARs and relevant staff upon hire and annually through the compliance meeting;
* Training is provided on how to select and document the choice of mutual fund share classes for each client;
* For new transfer non-institutional share class mutual funds, the IAR will convert to institutional share class or document why the shares were not converted.
* IARs are responsible for the initial selection of the appropriate mutual fund share class for their clients and documenting the reason for the selection of any class other than institution shares either in the client file, the client relationship management system, or another record retention system.
* The CCO or designee will review and approve all exceptions for non-institutional share class uses.
* CCO or designee is responsible for performing a periodic review of all clients mutual fund holdings to ensure that the procedures are being followed. This review should take into account the following:
	+ - whether a client’s situation has changed,
		- whether new share class options are available, with the goal of evaluating whether the client now qualifies for, or has access to, a lower-cost share class.
* Results of the review are documented in the Firm ’s Compliance files.

## CRYPTO-ASSET POLICY

[Abbreviation of Firm] prohibits its IARs from providing advisory advice regarding investments in crypto-currency (e.g., Bitcoin), initial coin offerings (“ICOs”), distributed ledger technology, blockchain and/or any related products and pooled investment vehicles (“Crypto-Assets”). As such, advisers cannot maintain investments in any existing accounts discovered after opening.

Advisors may, at their own risk, under their own discretion, and as they deem appropriate and reasonable, purchase actual cryptocurrencies for their own accounts. Note: [Abbreviation of Firm] doesn't facilitate the purchase and sale of cryptocurrencies. These transactions would be required to be done at other firms in accordance with our Outside Investment Accounts Policy. Advisor must file the appropriate form/notification to the Compliance and get approval by Compliance.

If advisers are aware of any existing clients involved in the cryptocurrency and/or block chain trade, they should immediately report this information to the CCO.

## MARIJUANA POLICY

[Abbreviation of Firm] prohibits advisers from conducting business with any person or entity involved with marijuana production, distribution, or other ancillary operations. As such, advisers cannot establish new accounts for any of these entities or persons, or maintain any existing accounts discovered after opening.

If advisers are aware of any existing clients involved in the marijuana trade, they should immediately report this information to the CCO.

## FIDUCIARY DUTIES OWED TO CLIENTS

[Abbreviation of Firm] owes a fiduciary duty to each of its clients. This duty is akin to the "prudent man rule" applicable to a trustee, exercising that degree of care with respect to the client's affairs that a "prudent man" would observe with respect to his own. This duty is particularly evident where the client has given discretionary authority over his or her account to [Abbreviation of Firm]. Consistent with this fiduciary duty, [Abbreviation of Firm] must eliminate or at least expose all conflicts of interest that might incline it consciously or unconsciously to render advice that is not disinterested.

In order to carry out their general fiduciary duties to clients, the Firm and each Adviser Representative shall have the following specific duties:

* avoid all conflicts of interest and potential conflicts of interest, and, if unavoidable, fully disclose the material facts of each and every conflict of interest and mitigate material conflicts of interest;
* exercise the utmost and undivided loyalty to the client;
* monitor client's circumstances and investments over the course of relationship;
* as frequently as necessary, make a reasonable inquiry into the client's financial situation, level of financial sophistication, investment experience and investment objectives, as they may change over time;
* act prudently with the care, skill, and judgment of a professional;
* recommend suitable investments and otherwise providing personalized advice to clients including having a reasonable basis for advice in the best interest of the client based upon the client's profile;
* obtain best execution on client trades;
* obtain client consent prior to making principal trades with a client;
* never engage in scalping (*i.e.,* engaging in a trade of a security in the adviser's account in advance of a client's trade in the same security in a manner that is a disadvantage to the client);
* treat each client fairly and perform services for them, including trading their accounts, in an equitable manner;
* communicate clearly and accurately;
* provide accurate information about the total fees and expenses paid by the client;
* receive only reasonable gifts, entertainment, and other benefits from service providers, including broker-dealers executing client trades;
* maintain a high level of competence regarding investment management knowledge and skills; and
* ensure that clients are offered or have access to all necessary investment products, funds and other investment management services that can be tailored to the needs of the client.

# WRAP FEE PROGRAM

[Abbreviation of Firm] offers a wrap fee program defined as “any program under which a client is charged a specified fee or fees not based directly upon transactions in the client’s account for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and execution of client transactions.”

[Abbreviation of Firm] acts as sponsor for its own wrap fee programs and is compensated under these programs for organizing or administering the program. Currently, the only professional portfolio manager in our program is [Abbreviation of Firm]. An Appendix to Part 2A of the Form ADV is used as the wrap fee disclosure brochure and is provided to all prospective and current Clients by [Abbreviation of Firm] wrap fee program. Initial and annual delivery requirements are the same as those required for Form ADV Part 2A and Form CRS. Such brochure must be kept current and made available to the SEC and all other regulatory authorities upon request.

[Abbreviation of Firm] charges an annual fee, [billed quarterly/monthly], and based on a percentage of assets under management. The annual fee covers both management and transaction expenses. [Abbreviation of Firm]’s Custodians provides the Client with trade confirmations and monthly or quarterly brokerage statements.

[Abbreviation of Firm] will act in the best interests of our Clients and understands the Firm have a duty to obtain best execution. “Best execution” means that [Abbreviation of Firm] as the manager must place client trade orders with those broker-dealers that [Abbreviation of Firm] believes is capable of providing the best qualitative execution of client trade orders under the circumstances, taking into account the full range and quality of the services officer, including the cost of the trade, the broker-dealer’s financial responsibility, and execution capabilities. Currently, [Abbreviation of Firm] has outsourced execution to its custodian[s]. [If your Firm goes to the street for fixed income, please state your procedures for reviewing best execution, i.e., review of TRACE, reports received by executing Firm, etc.]

[Abbreviation of Firm] may manage other accounts not part of a wrap fee program. Typically, the Firm use block transaction to assist [Abbreviation of Firm] in potentially avoiding an adverse effect on the price of a security that could result from simultaneously place a number of separate, successive or competing client orders. [Abbreviation of Firm] does not allow “trading away” or “step out trades”.

[Abbreviation of Firm] has considered whether a wrap fee is suitable and appropriate for our Clients prior to entering into such an arrangement. At least once per calendar year thereafter, [Abbreviation of Firm]’s IARs will attest to the on-going appropriateness of the WRAP arrangement by conducting a formal Annual Review. Compliance will review this documentation through the use of various reports and spot checks including, but not limited to, client file reviews, inactivity reports, branch examinations, bulletins, and compliance meetings. -----FIRMS MUST DOCUMENT THE REVIEW AND ANALYSIS ON WHY IT’S IN THE BEST INTEREST OF CLIENT TO BE IN THE WRAP PROGRAM – (A Task in SmartRIA will assist with a reminder throughout the year) ---There is no difference between how the Firm manages wrap fee accounts and how the Firm manages other accounts.

[Abbreviation of Firm] periodically tests the appropriateness of the Wrap Program by analyzing the trading activity in client accounts. If an account has no or low trading activity, the CCO or designee will contact the IAR to discuss the appropriateness of the Wrap Program. Factors taken into consideration are the market environment, need for allocation modifications, etc.

# ALTERNATIVE INVESTMENTS

**CHOOSE ONE:**

[ ]  Our Firm DOES NOT allow the use of Alternative Investments for a client portfolio.

**OR**

[ ]  Our Firm allows the use of Alternative Investments, if deemed suitable for the client portfolio. *(If selected – please include the following language)*

Alternative Investments represent asset classes outside the realm of traditional stocks, bonds and cash equivalents and include, among other things, the following:

* Financial Futures/Equity Futures and Options
* Leveraged and Inverse ETFs
* Structured CDs
* Hedge Funds
* Private Placements
* Non-Traded REITS
* Direct Lending Programs
* Cryptocurrency
* Gold and Silver

The SEC Office of Compliance Inspections and Examinations (OCIE) acknowledges that IAs are increasingly recommending alternative investments to their clients. IAs are fiduciaries and thus must always act in their clients’ best interests.

**CHOOSE ONE:**

[ ]  It is our **Firm’s Policy that our Firm recommends only** Alternative Investments products **that are approved on our recommended Custodian Alternative Platform**.

**OR**

**[ ]** Our Firm requires that all Alternative Investment Products engaged by an IAR must be **approved in writing by our CCO prior to use with Clients**. All IARs interested in utilizing the services of an Alternative Product that is not currently on the approved list (Firm or Custodian platform) should provide a written request for approval of the product/sponsor.

[Abbreviation of FIRM] generally accepts investment ideas from any source, whether from a current client, an issuer or a third-party. For example, from time to time, clients may become aware of alternative investment opportunities from outside sources and request [Abbreviation of FIRM]’s input, or potential issuers may reach out to [Abbreviation of FIRM] seeking that the Firm consider their alternative investment opportunities. With regard to any alternative investment idea:

* No [Abbreviation of FIRM] personnel may recommend an alternative investment to a client until the Firm authorizes such action.
* **Neither [Abbreviation of FIRM], nor any employees of the Firm, may receive a finder’s fee or any other compensation** from the issuer or issuer’s broker-dealer.

## DUE Dilligence of Alternative INVESTMENTS

Before [Abbreviation of FIRM] makes a recommendation to a client regarding any investment, [Abbreviation of FIRM] must perform reasonable due diligence to determine that such investment:

1. Meets the clients’ investment objectives;
2. Is in the best interest of the client in light of the client’s risk profile, liquidity requirements and
3. Is consistent with the investment principles and business strategies that were disclosed to [Abbreviation of FIRM] (e.g., as set forth in relevant documents, such as advisory disclosure documents, private offering memoranda, prospectuses, or other offering materials).

The Due Diligence process is to ensure and understand financial background of the investment, the management of the Firm offering the investment and the risks associated to Alternative Investment made available to clients. This review will typically include when available, but is not limited to:

* Review of audited financial statements
* Firm’s offering documents
* Background of management persons of the Firm
* Evaluation of the validity and integrity of the issuer's business model and how it fits into its business sector,
* Determination of the issuer's creditworthiness,
* The assets held by or to be acquired by the issuers,
* Review of information available from financial and other publishers,
* Independent verification of management's representations (contact with issuer's clients; lenders, vendors, lower-level employees, *etc.*),
* Review news articles and industry publications regarding the issuer, its market, and competition,
* Review of the company's internal documents such as operating plans, product literature, corporate records, financial statements, contracts and lists of distributors and clients,
* Physical inspection of the company's facilities,
* Contact with the issuer's auditor and other experts knowledgeable about the company,
* Contact with outside directors,
* Interviews of key personnel or clients,
* Review of the intended use of proceeds of the investment by the issuer,
* Liquidity availability and restrictions, if any.

The Firm shall keep and maintain a central file of all information and documents regarding a particular alternative investment idea. Documents shall be maintained in accordance with [Abbreviation of FIRM]’s books and records procedures, reviewed and updated periodically, but no less than annually. The CCO and/or the investment committee is responsible for documenting the approval of any investment prior to use with any clients.

**TRAINING OF IARs**

The Firm will provide adequate education and training with regard to the alternative investments approved for use with clients by our Firm. This is so that the IARs may understand the investment, its general features and material risks and the type of client the investment is suitable. Such education and training will be documented by Compliance.

## Client REVIEW for USE OF Alternative INVESTMENTS

Our Firm has implemented specific client guidelines regarding the recommendation of Alternative Investments with clients. The Firm has specified minimums regarding client Net Worth and Income that must be met to make any recommendations for use of Alternative products. This is documented [state how and where this is documented]. Additional documentation will be required in the client file. Our Firm’s IARs may only recommend the Alternative Investment to an [Abbreviation of FIRM] client when the recommendation has been determined to be in the best interest of the particular client.

Prior to recommending an alternative investment product, IARs should always consider the following:

* Liquidity
* Creditworthiness of the issuer/underlying collateral
* Principal and/or income is not guaranteed
* Tax consequences or benefits
* Costs and fees associated with selling and purchasing

Our Firm also cautions against relying too heavily upon a client’s financial status as a basis for recommending alternative investments. Net worth alone is not necessarily a determining factor when considering if a particular product is suitable for an investor.

Before any recommendation by [Abbreviation of FIRM] of an alternative investment, the client and IAR shall complete an ***Alternative Acknowledgement Form*** outlining the desire for such investments, amount of money to be invested in such opportunities and a risk profile showing ability to shoulder risk of such investments. When an alternative investment is recommended by [Abbreviation of FIRM], the client shall execute an ***Alternative Acknowledgment Form***. The Form is designed to identify, and have the client acknowledge, the material risks attendant to the specific investment (e.g., speculative, illiquid, etc.) The Firm shall document the recommendation given to the client. Documents shall be reviewed and maintained in accordance with [Abbreviation of FIRM]’s books and records procedures.

As noted above, from time to time, a client may identify investment opportunities from outside sources. In such cases, where the CCO determines that the alternative investment idea will not be reviewed by or Firm, and our Firm determines that it cannot recommend the alternative investment as an appropriate investment, the client will be advised of such determination.

## DISCLOSURE OF RISKS

IARs will maintain documentation of discussions with clients about use of Alternative Products. Language in Part 2A – Item 8 – Strategy and Risk of Loss will address the risk of loss concerning use of alternative investments. An ***Alternative Acknowledgement Form*** is used as documentation the Risks were disclosed to the client.

Alternative Investment concentration percentages may not exceed the below guidelines (state and/or prospectus guidelines supersede these percentages when more conservative). The below-stated guidelines are maximums. Other factors may be considered in determining the suitability of any particular transaction.

**FIRM TO TAILOR TO FIT THEIR GUIDELINES – THIS IS JUST A SAMPLE BELOW:**

For Account Holders Under 70 Years Old:

|  |  |  |  |
| --- | --- | --- | --- |
| Investment Objective | Liquid Net Worth Up to $999,999 | Liquid Net Worth between $1.0M to $4.9M | Liquid Net Worth above $5.0M |
| Income with Capital Preservation | 0% | 5% | 10% |
| Income with Moderate Growth  | 10% | 15% | 20% |
| Growth with Income  | 20% | 25% | 30% |
| Growth  | 25% | 30% | 35% |
| Aggressive Growth | 30% | 35% | 35% |
| Trading | 0% | 0% | 0% |

**Important Notes:**

No more than 10% in any one program. No more than 20% in any one asset class.

For Account Holders70 Years Old AND ABOVE:

|  |  |  |  |
| --- | --- | --- | --- |
| Investment Objective | Liquid Net Worth Up to $999,999 | Liquid Net Worth between $1.0M to $4.9M | Liquid Net Worth above $5.0M |
| Income with Capital Preservation | 0% | 0% | 5% |
| Income with Moderate Growth  | 5% | 10% | 12% |
| Growth with Income  | 10% | 12% | 15% |
| Growth  | 15% | 17% | 20% |
| Aggressive Growth | 15% | 20% | 25% |
| Trading | 0% | 0% | 0% |

**Important Notes:**

No more than 10% in any one program. No more than 15% in any one asset class.

## Account Type Considerations

Some account types may not allow certain types of investments to be purchased or held in the account (based on trust document language, guardianship agreements, retirement plan documents, etc.). Additionally, some account types require financial information to be considered differently in order to determine the amount of an alternative investment that may be purchased. The following information must be considered:

**Trust Accounts:**

* + - Review the Trust documents in order to determine if these types of investments can be held in the account.
		- Irrevocable Trusts must use the trust’s financial information only. If the trust is established using its own tax identification number, the percentage guideline limit for age <70 is used along with the liquid net worth and investment objective.
		- If the trust is established under an individual’s social security number, as opposed to a Tax ID, then the oldest living grantor should be considered for the guideline limits. Personal grantor trusts report annual income, liquid net worth, and net worth, based on the personal financials of the grantor(s).
		- Assets from a trust established using its own tax identification number cannot be commingled with assets of the trustee’s personal assets.

**UTMA/UGMA/Guardianship/Custodial Accounts:**

* The financial information of the minor or ward should be used.
* The percentage of the client's liquid net worth is based on the account owner’s assets.
* For Guardianship accounts, review the court documents (if applicable), in order to determine if these types of investments can be held in the account.

**Profit Sharing Plans, 401K’s, Corporate, and Non-Profit accounts:**

* Review the Corporate Charter documents (if applicable) or any other documents to determine if these types of investments can be held in the account.
* Use the entity’s financial information.
* The percentage must be based on the account’s investment objective and financials.
* Single Participant Profit Sharing Plans and Single Participant 401k plans should be included in the assets for the individual client/household for which the account is for the benefit of. Review of plan documents should be completed to determine if the plan is a single or multiple participant plan.

**Individual Accounts and IRA Accounts:**

* + - In most cases it may be appropriate to use the spouse’s information if the client lives in a community property state. However, if the client has a prenuptial agreement, then they may not be able to. If the account owner decides to use their spouse’s financial information, they must also include that spouse’s Alternative Investment holdings for purposes of calculating allocation percentages.

**Joint Accounts:**

* Firm will consider the oldest account holder listed on the account to determine age suitability.
* Joint accounts must include current and pending Alternative Investment holdings of all owners whether or not the additionally disclosed holdings are held jointly or individually.

**Prospectus/Offering Memorandum Requirement**

Our Firm’s procedures require that all IARs deliver to the client a copy of the prospectus or offering memorandum for any alternative investment product recommended or sold at the time of the recommendation or sale, if applicable. IARs should familiarize themselves with the contents of the fund prospectus/offering memorandum prior to recommending a purchase to clients. The prospectus or offering memorandum delivery is documented on the appropriate ***Alternative Acknowledgment Form*** for the product being sold or solicited.

**Accurate Client Information**

When completing the appropriate alternative investment forms, it is important to fill out all paperwork in its entirety. Any omission of information may result in the purchase being rejected back to the IAR and can cause a delay in submitting paperwork to the sponsor. Any changes to a client signed document must be initialed and dated by the client.

**Alternative Investment Exceptions Requests**

As a general matter, the Firm does not grant exceptions to Firm guidelines and only under a very limited set of facts and circumstances will an exception be granted. All exception requests must be presented to Compliance in writing. The information provided to Compliance should include client financial information, beneficiaries, additional insurance policies, health of client, and a compelling reason why client should be allowed to exceed the policy limits. Each request is viewed on a case-by-case basis and may require additional documentation.

**USE OF DISCLOSURES oN Materials**

Advisers are required to make a full and fair disclosure of all material facts pertaining to alternative investments they solicit or sell. This may include, among other things, disclosing that the alternative investment generally is illiquid, and the client may not be able to liquidate or sell the securities in the future. Advisers are also required to verify, at the time of purchase, that the client meets all suitability requirements specifically provided in the prospectus or offering memorandum for such security (e.g., minimum annual income and net worth, state regulations, etc.). As a reminder, our Firm considers liquid net worth to include all assets that can be liquidated within thirty (30) days, exclusive of real estate holdings. Disclosures on materials referencing Alternative Investments shall include, as applicable:

* *[Abbreviation of FIRM] is acting solely on behalf of [Abbreviation of FIRM] clients in determining whether the alternative investment idea is an investment which may be suitable and in an [Abbreviation of FIRM]’ client’s best interest.*
* *[Abbreviation of FIRM] is not acting on behalf of the issuer (or issuer’s broker-dealer) and has no obligations to the issuer (or issuer’s broker-dealer) in connection with its review of the alternative investment idea.*
* *Neither [Abbreviation of FIRM] nor its personnel will receive any transaction-based compensation in connection with providing investment advice to its clients.*
* *[Abbreviation of FIRM] is not providing any services to the issuer and has not/ is not providing any assistance with regard to creating the security, negotiating the offering of such security, or the terms and conditions of the issuance of such security such as the pricing of the offering.*

**Alternative Investment Liquidations and Redemptions**

Generally, alternative investment products are meant to be held to maturity through a liquidity event as detailed in the prospectus or offering memorandum, however any planned liquidity event is not guaranteed and may be changed at the discretion of the program. For these such products, our Firm does not permit IARs to assist directly in the sale or redemption of an alternative investment unless the client is selling or redeeming back to the general partner or if they are accepting a tender offer. These sales or redemptions should not generally be a matter of solicitation as the investments are long term investments and the expectation is that they be held for the life of the fund.

There are some alternative investment products that have a perpetual life or duration, similar to how traditional investments are offered and redeemed at regular intervals. While these alternative investments are still long-term investments, it may be appropriate to redeem them at a later date based on changes to the client’s investment objective, time horizon or specific financial needs.

Any client who wishes to sell an alternative investment should be made fully aware that:

* Alternative investments usually sell at a very deep discount to their initial purchase price and may be assessed early redemption fees or other charges;
* The client is responsible for paying all fees charged by the issuer or general partner in relation to the transfer;
* The transfer process may take longer than eight weeks to be completed;
* Redemptions may not always be possible, and clients should be prepared that they may not be able to liquidate shares; and
* Investing the proceeds of a liquidated alternative investment into a new alternative investment for the purpose of achieving greater distribution should not be recommended, as the distribution rate is not guaranteed and may be reduced or eliminated at the discretion of the sponsor.

Periodically, a client may wish to liquidate some or all of their alternative investment holdings. Though there are Firms providing secondary markets with services designed to help individuals liquidate certain illiquid alternative investments, IARs must refrain from assisting clients in effecting transactions with such Firms. Additionally, our Firm does not allow IARs to engage in cross trades for any alternative investment including limited partnerships.

**PRIVATE SECURITIES TRANSACTIONS**

In accordance with our Code of Ethics, all associated persons must provide written notice to the Firm with which (s)he is associated describing in detail the proposed transaction and the associated person’s proposed role therein and stating whether he has received or may receive selling compensation in connection with the transaction.

**PLEASE ADD SPECIFIC PROCEDURES FOR PROCESSING AND REVIEWING THE ALTERNATIVE INVESTMENTS USED BY YOUR FIRM. THIS MUST BE TAILORED TO YOUR PRODUCTS AND INTERNAL PROCEDURES.**

# TRADING AND BROKERAGE POLICY/BEST EXECUTION

As a registered investment adviser, the Firm recognizes its fiduciary obligation to obtain best execution of clients’ transactions under the circumstances of the particular transaction. In all cases, the custodian selected must be a registered entity with the SEC and a member of FINRA. In certain circumstances the transactions for the Firm’s clients will be in mutual funds where the price is set by prospectus and does not vary from one Firm to another, and generally, mutual funds will be purchased at net asset value if that fund is available at net asset value in the client’s account.

The Firm will, on an annual basis, evaluate its relationships with executing Custodian to determine execution quality. In deciding what constitutes best execution, the determinative factor is not the lowest possible commission cost, but whether the transaction represents the best *qualitative* execution. In making this determination, the Firm's policy is to consider the full range of the Custodian’s services, including without limitation the value of research provided, execution capabilities, commission rate, financial responsibility, administrative resources, and responsiveness. As a part of this analysis, the Firm will also consider the quality and cost of services available from alternative custodians.

## REVIEW OF TRADE EXECUTION

The Firm will periodically and systematically monitor and evaluate the execution and performance capabilities of the utilized Custodian(s). From time-to-time, annually at a minimum, quantitative performance data about Custodian will be acquired from the Custodian or third-party evaluation services to assist the review process. Evidence of such reviews shall be appropriately documented.

## DISCLOSURE

The brokerage practices of the Firm will be fully disclosed in the Firm's Form ADV Part 2A and Form CRS, including a summary of factors the Firm considers when selecting Custodian and determining the reasonableness of their commissions.

## CONFLICTS OF INTERESTS

The Firm will be sensitive to various conflicts of interest that may arise when selecting Custodian to execute client trades, and where necessary, shall address such conflicts by disclosure.

## TRADE PROCESSING PROCEDURES

Order Placement

The following describes the general procedures to be followed by IAR with respect to trades in securities:

A trade is initiated by the IAR.

The IAR trader enters the trade into the Custodian’s trading platform.

The IAR organizes the trades and allocates the pro-rata share to the applicable accounts. Settlement of all trades is handled at the Custodian.

Records of executed trades from the Custodian(s) are maintained by the Firm’s CCO.

All trading discrepancies, errors or mistakes shall be brought to the attention of the IAR or operations, who shall maintain a file evidencing the trading discrepancy, error or mistake, the review conducted by operations and any action taken by operations with respect thereto. Discrepancies are corrected in conformity with the Firm’s Trading Error Procedures.

## AGGREGATION AND ALLOCATION OF TRANSACTIONS

[ ]  [Abbreviation of Firm] does not aggregate client orders, even though it may have the opportunity to do so. [Abbreviation of Firm] discloses this fact and the consequences of not aggregating orders to Clients in its Firm Brochure

**OR**

[ ]  The following sets forth policies and procedures to be followed by [Abbreviation of Firm] (the “Firm”) with respect to the allocation of investment opportunities and trade orders among client accounts and related matters. [Abbreviation of Firm] may aggregate transactions if we believe that aggregation is consistent with the duty to seek best execution for our clients and is consistent with the disclosures made to clients and terms defined in the client Investment Advisory Agreement. We may make trades in individual accounts (that are not aggregated with others) so that we may address that client’s unique circumstances. No advisory client will be favored over any other client, and each account that participates in an aggregated order will participate at the average share price (per custodian) for all transactions in that security on a given business day.

## ALLOCATION OF INVESTMENT OPPORTUNITIES

We will aggregate trades for ourselves or our associated persons with your trades, providing that the following conditions are met:

1. Our policy for the aggregation of transactions shall be fully disclosed to our existing clients (if any) and the Custodian(s) through which such transactions will be placed;

2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek the best execution (which includes the duty to seek best price) for you and is consistent with the terms of our Investment Advisory Agreement with you for which trades are being aggregated.

3. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all our transactions in a given security on a given business day, with transaction costs based on each client’s participation in the transaction;

4. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the allocation statement; if the order is partially filled, the accounts that did not receive the previous trade’s positions should be “first in line” to receive the next allocation.

5. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified if all client accounts receive fair and equitable treatment and the reason for difference of allocation is explained in writing and is reviewed by our compliance officer. Our books and records will separately reflect, for each client account, the orders of which aggregated, the securities held by, and bought for that account.

6. We will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and

7. Individual advice and treatment will be accorded to each advisory client.

Whether and to what extent an account participates in an allocation is based on a number of considerations, including among others, the account’s investment objective, policies and restrictions, its availability of cash balances, tax considerations, and whether the account already has sufficient holdings of similar securities. Based on these and any other relevant considerations, and except as noted below, each account is generally given the opportunity to participate in potential investments, which fall within that account’s investment objective and policy restrictions, on a pro-rata basis based on the relative asset size of the account. In certain cases, [Abbreviation of Firm] may determine to allocate a particular purchase order of securities based on account size (e.g., by allocating the order first to the smallest account and then to larger accounts in order of asset size or, alternatively, from the largest account to the smallest) where administrative efficiencies would be gained due to the size and timing of completion of the order and/or where round-lot issues are involved. However, there should be no allocation to an account or set of accounts based on account performance, the amount or structure of management fees, whether the Firm or its affiliates have an ownership interest in the account, or whether the account is public versus private.

With respect to investment opportunities that are made available to the Firm in limited quantities (such as initial public offerings and private placements) (a “Limited Offering”), [Abbreviation of Firm] will determine in good faith whether the security falls within a specific, focused investment mandate of a particular account or accounts. Applicable focused accounts will ordinarily be given the first opportunity to participate in the Limited Offering securities on a pro-rata basis (based on the relative asset size of each focused account). [Abbreviation of Firm] of a focused account may determine not to utilize some or all of the account’s allocation of the Limited Offering securities based on considerations including an account’s existing positions in the same or similar securities, the cash availability of a particular account, an account’s investment objectives, policies and restrictions and tax considerations. Any Limited Offering securities that are utilized by the focused account(s) would then be made available to all other suitable accounts (i.e., accounts for which the securities are appropriate based on the considerations referenced above) on a pro-rata basis, based on relative assets. Limited Offerings that do not fall within a specific investment focus of a particular account or accounts will ordinarily be made available for allocation among all suitable accounts on a pro-rata basis, based on relative assets. The Chief Investment Officer and Portfolio Manager must pre-approve any allocation that deviates from this policy.

## AGGREGATED EXECUTIONS

When orders are aggregated, each participating account will receive the weighted average price for all transactions in a particular security effected to fill such orders on a given business day, and transaction costs will be shared pro-rata based upon each account’s participation in the transaction.

The Firm’s Chief Investment Officer is responsible for oversight and administration of this policy.

## COMPLIANCE MONITORING AND REPORTING

The CCO will monitor and periodically review trading issues including commissions, trading problems or errors, compliance issues and procedures.

[Abbreviation of Firm] monitors accounts that appear to be inactive over a specified period of time by looking at trading activity. Although the Firm does not encourage extensive trading activity, it is important for IARs to demonstrate continued management of an account even in the absence of transactions. To this end, IARs are urged to document all analysis of client account reviews including a copy of any review analysis. IARs may use the Annual Client Review form to document those reviews, which will be requested by supervision. Documenting client conversations or meetings is a means of demonstrating ongoing account management. IARs are reminded that annual client meetings are required for advisory accounts and should be conducted at least once every twelve months. Inactivity alerts are designed to verify that Advisers are fulfilling their fiduciary duty to appropriately manage accounts. An account is flagged for inactivity if it has no trades (buys or sells) for a period of 12 months. Additionally, it is generally inappropriate for an advisory fee to be earned on an account in which a buy-and-hold strategy is being implemented. In some cases, the supervisor may look to a longer time period if the account is deemed to be allocated consistently with the investment objective and substantive, documented evidence of ongoing investment advice.

## PRINCIPAL AND CROSS TRANSACTIONS WITH CLIENTS

Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, buys from or sells a security to an advisory client. It is the policy of [Abbreviation of Firm] not to engage in principal transactions with clients. An adviser is deemed to have engaged in a principal transaction for its own account in any transaction involving an account more than 25% of which is owned by the adviser or its control persons. Principal transactions are subject to the requirements of Section 206(3) of the Advisers Act. The CCO is responsible for implementation and monitoring of our policy with respect to principal trading.

Cross trades are transactions for which an adviser has both a buyer and a seller for the same security. It is the policy of [Abbreviation of Firm] not to engage in cross trades between clients.

## ECONOMIC BENEFITS FROM SECURITIES TRANSACTIONS

It is [Abbreviation of Firm]’s policy not to accept products or services (other than execution and services from our Custodians) from a broker-dealer or a third party in connection with client securities transactions unless there has been a disclosure made to the client as required by SEC Rules. The CCO is responsible for monitoring this in a manner consistent with the Firm’s policies and procedures and the Rules. Such products or services can be classified as a “soft dollar benefit” or “other economic benefit.”

## SOFT DOLLAR BENEFITS – DEFINITION

An adviser can enter into a type of arrangement with one or more Custodian whereby it receives some economic benefit in exchange for directing client transactions to that broker-dealer. These economic benefits can be paid for with what are commonly referred to as “soft dollars,” and are referred to as “soft dollar benefits.” In effect, the commissions paid by the adviser’s clients generate these soft dollars that are used by the adviser to pay for these soft dollar benefits.

Soft dollar arrangements present an obvious conflict of interest for the adviser. The adviser has the incentive to direct client transactions to the broker-dealer that will provide it with the most soft dollar benefits. Nevertheless, Section 28(e) of the Securities Exchange Act of 1934 (the “1934 Act”) provides a safe harbor that expressly permits soft dollar arrangements provided certain conditions are met. These conditions include the requirement that soft dollars only be utilized to obtain research or brokerage services and provided that the commissions are reasonable in consideration of the economic benefit to be purchased with the soft dollars. If the adviser “pays up for research” but meets the requirements of Section 28(e) of the 1934 Act, the adviser will not be deemed to breach its fiduciary duty to its client even if the client pays a commission higher than the lowest commission available to obtain the research or brokerage services. If the adviser acts outside of the Section 28(e) safe harbor, however, it will not necessarily be deemed to breach its fiduciary duty to its clients.

## OTHER ECONOMIC BENEFITS

An adviser may receive from a broker-dealer or other financial institution, without cost, computer software and related systems support, which allow the adviser to better monitor client accounts maintained at that financial institution (“other economic benefit”). The adviser may receive the software and related support without cost because it renders investment management services to clients that, in the aggregate, maintain a certain level of assets at that financial institution.

While these arrangements do not typically qualify as soft dollar arrangements because they are not tied directly to client transactions or commissions, they present an obvious conflict of interest for an adviser. An adviser has an indirect incentive to direct client transactions to the broker-dealer that will provide it with the most other economic benefits. If the adviser utilizes the services of a financial institution that provides the adviser with economic benefits, it will not be deemed to breach its fiduciary duty to its clients even if the clients pay a commission higher than the lowest commission available to obtain such economic benefits so long as certain conditions are met. These conditions include the requirement that such other economic benefit is in the best interest of the clients and that the benefit is disclosed to clients.

Example

The following illustrates typical other economic benefits that an adviser may receive:

Receipt of duplicate client confirmations and bundled duplicate statements;

Access to a trading desk that provides for specialized services;

Access to block trading;

Access to an electronic communication network for client order entry and account information;

Software or other tools in connection with the Firm’s delivery of investment advisory services;

Travel, meals, entertainment, and admission to educational or due diligence programs; and

Marketing support including sponsorship of client events.

The CCO will, at least periodically, review the Firm’s practices regarding the receipt of products or services from financial institutions to ensure that the Firm continues to follow its policies and procedures.

When the Firm accepts products or services (other than execution) from a broker-dealer or a third party in connection with client securities transactions, the CCO will characterize these products or services as either “soft dollars” or “other economic benefit.”

## SOFT DOLLAR ARRANGEMENTS

While [Abbreviation of Firm] has no formal soft dollar’s program in which soft dollars are used to pay for third party services, [Abbreviation of Firm] may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions (“soft dollar benefits”). [Abbreviation of Firm] may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client’s transactions paid for it, and [Abbreviation of Firm] does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. [Abbreviation of Firm] benefits by not having to produce or pay for the research, products, or services, and [Abbreviation of Firm] will have an incentive to recommend a broker-dealer based on receiving research or services. Clients have been informed via the [Abbreviation of Firm] ADV 2A in Item 12 and Form CRS, that [Abbreviation of Firm]’s acceptance of soft dollar benefits may result in higher commissions charged to the client.

# TRADE ERROR PROCEDURES

The following procedures provide guidance on how basic trading errors will be handled and identify the person or persons to whom issues regarding trading errors or potential trading errors should be directed to ensure that they are handled promptly and appropriately.

## DEFINITION OF TRADE ERROR

A trading error is a deviation from the applicable standard of care in the placement, execution, or settlement of a trade for a client account. In general, the following types of errors would be considered trading errors for the purposes of these Procedures if the error resulted from a breach in the duty of care that [Abbreviation of Firm] owes to the client under the particular circumstances:

The purchase or sale of the wrong security or wrong amount of securities;

* The purchase or sale of a security placed in the wrong client account;

The over allocation of a security;

The purchase or sale of a security in violation of client investment guidelines or other failure to follow specific client directives; and

Purchase of securities not legally authorized for the client’s account.

For purposes of these Procedures, the following types of errors are not deemed to be trading errors:

Good faith errors in judgment in making investment decisions for clients;

Errors caught and corrected before execution;

Ticket re-writes and similar mistakes that inaccurately describe properly executed trades; and

Errors made by persons other than the Firm (e.g., broker-dealers, custodian).

## GENERAL POLICY

An overriding principle in dealing with a trading error made by the Firm (or any other party to the trade other than the client) is that the client never pays for losses resulting from such errors. In general, when the error and responsible party are identified, [Abbreviation of Firm] works with the Custodian to correct the trade error. The trade is broken immediately, if possible and the error is corrected the same day. [Abbreviation of Firm] works with the Custodian on making the Client’s account whole with no loss to the Client’s account. If there is a loss to the Client’s account, [Abbreviation of Firm] will work with the Custodian to reimburse the Client account. Violations of these procedures are viewed as unacceptable by the management of the Firm and may result in written sanctions, monetary penalties, or loss of position. Any questions regarding error correction, policy or procedures should be directed to the CCO.

## TRADE ERROR NOTIFICATION PROCEDURES

Procedures to be followed in the event a potential trading error is identified include the following:

Alert the CCO immediately.

A determination should be made promptly as to: (a) whether a trading error has occurred, and (b) who is the responsible party.

Work with the Custodian to correct the error immediately in the best interest of the client and in a manner consistent with the Policy outlined above.

In the event of a loss, [Abbreviation of Firm] will work with the Custodian to reimburse the account for the full amount of the loss, including transaction costs.

In the event of an erroneous profit, the profit is donated to a charity.

A memo will be written by the CCO identifying: (1) the date of the trading error, (2) the account(s) involved, (3) the security involved (including CUSIP), (4) a brief description of the error, and (5) the amount of the gain or loss.

Payments made to clients as a result of trade error correction are to be recorded in the Firm’s accounting records.

At no time may an IAR reimburse a client for a trading loss. Only [Abbreviation of Firm] has the authority to reimburse clients.

The CCO should determine if a pattern of errors exists that should otherwise be addressed.

The Firm will maintain a record of all trade error reports for a period of five (5) years.

# FINANCIAL PLANNING

The Firm requires all financial planning activities conducted by IARs for compensation to be conducted through the Firm. By its general nature, financial planning is a broad term that may or may not include advice on securities. The financial planning activities offered by the Firm are:

Financial Plan Analysis

Retirement Planning

Cash Flow Management

Personal Risk Management

Estate Planning

Additional financial planning activities may be offered by IARs to clients or prospective clients based on their needs and desires.

## REQUIRED AGREEMENTS

Prior to entering into a relationship with a Client to provide the financial planning services, an IAR is required to execute a Financial Planning Agreement using the standard form supplied by the Firm.

## DUTIES IN PROVIDING FINANCIAL PLANNING SERVICES

All IARs are responsible for conducting financial planning activities in a manner that is consistent as a fiduciary. In meeting such requirements, IARs have:

A duty to have a reasonable, independent basis for his or her investment advice;

A duty to ensure that his or her investment advice is suitable to the client’s objectives, needs and circumstances; and

A duty to be loyal to clients.

Under no circumstances may an IAR:

Employ a device, scheme, or artifice to defraud a client or a prospective client;

Engage in any practice, transaction, or course of business which defrauds or deceives a client or a prospective client

Engage in fraudulent, manipulative, or deceptive practices.

## RECORDKEEPING

IARs are responsible for maintaining client files that include, but are not limited to:

The Financial Planning Agreement entered into to provide financial planning services;

Copies of any financial plans or documents provided to clients pursuant to the providing the financial planning services;

Documents utilized by the IAR in formulating a financial plan;

Invoices sent to the client; and

Copies of any checks or payments received by the client.

The CCO is responsible for maintaining a copy of all:

Agreements entered into by the Firm to provide financial planning services,

A copy of the invoices sent to clients, and

A copy of any payments made by the client in connection with financial planning activities.

# ERISA PLANS

## GENERAL POLICY

The Firm may act as an investment manager for advisory clients which are governed by ERISA. Under certain circumstances, [Abbreviation of Firm] will be treated as giving “investment advice” to a Plan, a Plan fiduciary, a Plan participant, or beneficiary for purposes of section 3(21)(A)(ii) of ERISA. When giving “investment advice” with respect to a Plan, [Abbreviation of Firm] will be treated as a ***fiduciary*** under ERISA. As an investment manager and a fiduciary with special responsibilities under ERISA, and as a matter of policy, [Abbreviation of Firm] is responsible for acting solely in the interests of the plan participants and beneficiaries. [Abbreviation of Firm]'s policy includes managing client assets consistent with the “Prudent Man Rule,” maintaining any ERISA bonding that may be required, and obtaining written investment guidelines/policy statements, as appropriate.

## QDIA REGULATION

The DOL adopted the QDIA Regulation (ERISA Section 404(c)(5)) to provide relief to a plan sponsor from certain fiduciary responsibilities for investments made on behalf of participants or beneficiaries who fail to direct the investment of assets in their individual accounts.

For the plan sponsor to obtain safe harbor relief from fiduciary liability for investment outcomes the assets must be invested in a "qualified default investment alternative" (QDIA) as defined in the regulation. While investment products are not specifically identified, the regulation provides for four types of QDIAs:

A product with a mix of investments that take into consideration the individual's age or retirement date (e.g., a life cycle or target date fund);

An investment services product that allocates contributions among existing plan options to provide an asset mix that takes into consideration the individual's age or retirement date (i.e., a professionally managed account);

A product with a mix of investments that takes into account the characteristics of the group of employees as a whole rather than each individual (a balanced fund, for example); and

A capital preservation product for only the first 120 days of participation (an option for plan sponsors wishing to simplify administration if employees opt-out of participation before incurring an additional tax).

A QDIA must either be managed by:

1. an investment manager,
2. a plan trustee,
3. a plan sponsor, or
4. a committee primarily comprised of employees of the plan sponsor that is a named fiduciary, or it may be an investment company registered under the Investment Company Act of 1940. It is the policy of [Abbreviation of Firm] that investment advice given by [Abbreviation of Firm] with respect to Plans concerning default investment options for participants or beneficiaries ensures that Plan fiduciaries wanting to offer a QDIA may do so consistent with the QDIA Regulation.

## ERISA DISCLOSURES - 408(B)(2)

Under ERISA section 408(b)(2), investment advisers and other covered service providers are required to provide to the responsible plan fiduciary and certain ERISA plan clients with their advance disclosures concerning their services and compensation. This regulation amends a prohibited transaction rule under ERISA and the Internal Revenue Code. That rule stated that it is a prohibited transaction for a 'covered plan' to enter into an arrangement with a covered service provider unless the arrangement is reasonable, and the compensation being received by the service provider is reasonable. The final regulation imposes specific disclosure requirements intended to enable the plan's responsible plan fiduciary to determine whether a service provider arrangement is reasonable and identifies potential conflicts of interest.

## [Keep the following if providing rollover recommendations]

## INVESTMENT ADVICE AND ROLLOVER RECOMMENDATIONS

This section below sets forth the Firm’s policies and procedures to address compliance with the Department of Labor’s PTE 2020-02, *Improving Investment Advice for Workers & Retirees*. The prohibited transaction exemption under ERISA and the Internal Revenue Code (“Code”) for investment advice fiduciaries with respect to employee benefit plans and individual retirement accounts (IRAs) requires IARs who recommend clients to rollovers must justify and explain the benefits, expenses and all conflicts of interest associated with the recommendation as well as attempt to benchmark advisor compensation. “Rollovers” include not only rollovers from plans to IRAs, but also from an IRA to another IRA, an IRA to a plan, a plan to another plan, and from one type of account to another (brokerage to advisory, and vice versa).

***“Investment Advice and recommendations”*** *to client or potential client to rollover assets is considered fiduciary investment advice if the following 5-part test is satisfied:*

1. For a Fee, *renders advice as to the value of securities* or other property, or make recommendations as to the advisability of investing in, purchasing, or selling securities or other property
2. *On a regular basis*
3. *Pursuant to a mutual agreement*, arrangement, or understanding with the Plan, Plan fiduciary or IRA owner,
4. That the advice will serve as a *primary basis for investment decisions* with respect to Plan or IRA assets, and
5. The advice will be *individualized based on the particular needs* of the Plan or IRA.

If all five parts listed above are satisfied, our Firm will be considered a “fiduciary” under ERISA and/or the Code.

Our Firm does provide investment advice and rollover recommendations and therefore providing “investment advice and recommendations” regarding the individual’s tax-advantaged account(s) prior to recommending the rollover. There is a reasonable understanding that our Firm will be providing investment advice on the assets rolled over to our Firm and our Firm will be considered a fiduciary under the Code.

**OVERVIEW**

By the conditions outlined above, our Firm provides “investment advice and recommendations” with respect to plan rollovers and IRAs. The DOL’s position is that all types of guidance and recommendations pertaining to rollovers ***will be*** considered fiduciary advice. The DOL sees plan rollover recommendations and IRA transfers as the start of an ongoing advisory relationship, and so the advice to enact the rollover or transfer should be treated as the beginning of the fiduciary relationship. As an investment adviser, the DOL says the collection of compensation related to rollover advice and transfer recommendations is almost always going to be a prohibited transaction, triggering the need for an exemption. The prohibited transaction requires formal exemption, all because the adviser is influencing the amount of compensation he or she will receive from a fiduciary client.

Fiduciaries are prohibited from:

* *Self-Dealing* (e.g., providing advice that can increase your compensation)
* *Dual Representation* (e.g., acting on behalf both buyer and seller in a transaction involving plan or IRA assets)
* *Receiving third-party payments* (e.g., receiving compensation from anyone other than the client i.e., commissions, 12b-1, trail and/or solicitor fees, etc. for providing investment advice or exercising discretion)

Therefore, if rollover advice is fiduciary in nature, and it will result in one of the above prohibitions, the recommendation is a prohibited transaction. As a result, the DOL has created a new prohibited transaction exemption.

## POLICY

Our Firm is providing recommendations and therefore considered a fiduciary by offering “investment advice and recommendations”. We will adhere to standards designed to ensure that our investment recommendations reflect the best interest of plan and IRA investors. Since our Firm is relying on the exemption, our Firm will follow the following conditions as outlined in PTE 2020-02:

* **ACKNOWLEDGE** their fiduciary status in writing (either through our Part 2A Brochure or the IRA Rollover worksheet/client attestation)
* **DISCLOSE** their services and material conflicts of interest through our ADV Part 2A
* **ADHERE** to Impartial Conduct Standards requiring that:
	+ Investigate and evaluate investments, provide advice, and exercise sound judgment in the same way that knowledgeable and impartial professionals would (i.e., *the recommendations must be “prudent”),*
	+ Act with undivided loyalty to retirement investors when making recommendations (in other words, our Firm must never place our own interests ahead of the interests of the retirement investor, or subordinate the retirement investor’s interests to their own),
	+ Charge no more than reasonable compensation and comply with federal securities laws regarding “best execution,”
	+ Avoid making misleading statements about investment transactions and other relevant matters.
* **ADOPT POLICIES AND PROCEDURES** prudently designed to ensure compliance with the Impartial Conduct Standards and to mitigate conflicts of interest that could otherwise cause violations of those standards as adopted in this section and document (Firm’s Compliance Manual).
* **DOCUMENT AND DISCLOSE** the specific reasons that any rollover recommendation is in the retirement investor’s best interest using our Firm’s **IRA Rollover Worksheet – Comprehensive Analysis form.**
* **CONDUCT** an annual retrospective compliance review by the CCO.

Our Firm must document and disclose in writing the specific reasons that a rollover recommendation is in the retirement investor’s best interest. In doing so, our Firm will consider the client’s alternatives to a rollover, such as leaving the money in an employer’s plan and taking advantage of the investment options available in that plan, including available options other than those reflected in the retirement investor’s current plan holdings. Our Firm is expected to make diligent and prudent efforts to obtain information about the existing employee benefit plan and the participant’s interests in it.

**Please refer to: IRA Rollover Worksheet – Comprehensive Analysis form.**

## IMPARTIAL CONDUCT STANDARDS

The Impartial Conduct Standards are consumer protection standards that ensure that investment professionals adhere to fiduciary norms and basic standards of fair dealing.

The standards specifically require investment professionals to:

* Give advice that is in the “best interest” of the retirement investor. This best interest standard has two chief components: prudence and loyalty.
* Under the prudence standard, the advice must meet a professional standard of care as specified in the text of the exemption;
* Under the loyalty standard, our Firm may not place their own interests ahead of the interests of the retirement investor, or subordinate the retirement investor’s interests to their own;
* Charge no more than reasonable compensation and comply with federal securities laws regarding “best execution”; and
* Make no misleading statements about investment transactions and other relevant matters.

## PRUDENT ANALYSIS – INFORMATION GATHERING

Our Firm will document a prudent analysis of why a rollover recommendation is in a retirement investor’s best interest. For recommendations to roll over assets from an employee benefit plan to an IRA, the relevant factors include but are not limited to:

* the *alternatives to a rollover*, including leaving the money in the investor’s employer’s plan, if permitted;
* the *fees and expenses* associated with both the plan and the IRA;
* whether the *employer pays* for some or all of the plan’s administrative expenses;
* the different levels of services and investments available under the plan and the IRA;
* the ability to take penalty-free withdrawals;
* the application of required minimum distributions;
* the protection from creditors and legal judgements;
* holdings of employer stock; and
* any special features of the existing account.

When considering the alternatives to rollover, our Firm generally should not focus solely on the retirement investor’s existing investment allocation, without any consideration of other investment options in the plan.

For rollovers from another IRA or from a commission-based account to a fee-based arrangement, a prudent recommendation would include consideration and documentation of the services under the new arrangement. As relevant, the analysis should include consideration of factors such as the long-term impact of any increased costs; why the rollover is appropriate notwithstanding any additional costs; and the impact of economically significant investment features such as surrender schedules and index annuity cap and participation rates.

To satisfy the documentation requirement for rollovers from an employee benefit plan to an IRA, will make diligent and prudent efforts to obtain information about the existing employee benefit plan and the participant’s interests in it. In general, such information should be readily available because of Department regulations mandating disclosure of plan-related information to the plan's participants. If the retirement investor won’t provide the information, even after a full explanation of its significance, and the information is not otherwise readily available, our Firm will make a reasonable estimation of expenses, asset values, risk, and returns based on publicly available information.

Additionally, our Firm will document and explain the assumptions used and their limitations. In such cases, our Firm could rely on alternative data sources, such as the most recent Form 5500 or reliable benchmarks on typical fees and expenses for the type and size of plan at issue.

## FIDUCIARY ACKNOWLEDGEMENT

Our Firm will satisfy the fiduciary acknowledgment requirement by requiring the following:

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Under this special rule’s provisions, we must:

* Meet a professional standard of care when making investment recommendations (give prudent advice);
* Never put our financial interests ahead of yours when making recommendations (give loyal advice);
* Avoid misleading statements about conflicts of interest, fees, and investments;
* Follow policies and procedures designed to ensure that we give advice that is in your best interest;
* Charge no more than is reasonable for our services; and
* Give you basic information about conflicts of interest.

## CONFLICTS OF INTEREST

Since our Firm is relying on PTE 2020-02, our Firm will identify and carefully focus on the conflicts of interest associated with our business model and practice that create incentives for our Firm to place our interests ahead of the retirement investor’s interest. Our policies and procedures are designed to, among other things, protect retirement investors from recommendations that are not in the investor’s best interest, or to allocate excessive amounts to illiquid or risky investments. Our Firm does not recommend nor use any investment products where our IARs are compensated differently, nor is there an incentive for an IAR to meet any compensation thresholds that would pose as a conflict to retirement investors.

## SUPERVISORY OVERSIGHT

Our Firm will include supervisory oversight of investment recommendations when monitoring the specific documentation of rollovers on at least a quarterly basis.

Our Firm will provide the following monitoring of investment professional recommendations at or near compensation thresholds, recommendations at key liquidity events for investors (e.g., rollovers), and recommendations of investments that are particularly prone to conflicts of interest as outlined in our Code of Ethics.

## VIOLATIONS – CORRECTIVE ACTION

If the CCO determines a rollover was initiated that was not in the best interest of the client, the Firm will work with the client to correct the action within 90 days of when the rollover occurred or was found to be inconsistent with the Policy.

* The PTE allows for self-correction of violations of its conditions if the following conditions are met:
	+ The violation didn’t result in investment losses, or the investor was made whole.
	+ The violation is corrected, and the DOL is notified of the violation and correction within 30 days after the correction.
	+ The correction occurs no later than 90 days after the financial institution knew or reasonably should have known of the violation.
	+ The violation and correction are disclosed in a timely manner and described in the Financial Institution’s retrospective review.

Documentation on how the situation was corrected must be maintained in the Compliance file and documented in the Annual Retrospective Review. Documentation on how the situation was remediated.

## ANNUAL RETROSPECTIVE REVIEW

Our Firm’s CCO will conduct an annual retrospective review that is reasonably designed to assist in detecting and preventing violations of, and achieving compliance with, the Impartial Conduct Standards and our policies and procedures. The methodology and results of the retrospective review will be a written report and available to our Firm’s senior executive officers.

Our procedures include that the Firm’s CCO will draft the report and review that policies and procedures are in place to achieve compliance with conditions of the exemption. The CCO will ensure there is a prudent process is in place to modify such policies and procedures as business, regulatory, and legislative changes and events dictate, and to test their effectiveness on a periodic basis to ensure continuing compliance with the conditions of the exemption.

The Annual Certification Review is completed no later than six months following the end of the period covered by the review. This is typically conducted during Q4 or the following Q1. Our Firm retains the report, certification, and supporting data for six years and provide these documents to the Department within 10 business days of a request.

Our Firm will use the results of the review to find more effective ways to help ensure that our firm is providing investment advice in accordance with the Impartial Conduct Standards and to correct any deficiencies in existing policies and procedures. CCO will carefully review the report before making the required certifications, so that they can make the certifications with confidence. Making the certifications without carefully reviewing the report would constitute a violation of the exemption. This ensures that our Firm, through an appropriate senior executive officer and/or CCO, is fully accountable for the retrospective review.

The only time a recommendation will NOT be considered fiduciary under ERISA, or the Code is **when our Firm received an unsolicited rollover transaction, initiated by the client, and we did not provide investment advice or recommendations, before or after the rollover.**

## UNSOLICITED ROLLOVER TRANSACTIONS

Firms may obtain plan assets from a qualified plan or an IRA transfer, on an unsolicited basis with the intent to be managed, and where the client independently decided to rollover the assets.

## SUPERVISORY OVERSIGHT ON UNSOLICITED ROLLOVERS

IAR’s will be required to obtain a client’s attestation that the IAR did not provide “investment advice or recommendations” regarding the plan rollover or IRA transfer. IAR’s are required to submit client signed documentation to Compliance for review.

**[Delete the following section if the firm is offering rollover recommendations. Keep the following language if firm is offering education only]**

## INVESTMENT EDUCATION

Below sets forth the Firm’s policies and procedures to address compliance with the Department of Labor’s PTE 2020-02, *Improving Investment Advice for Workers & Retirees*. The Department of Labor has determined that the furnishing of qualified plan information and educational materials to a participant or beneficiary in a participant-directed qualified plan will not constitute the rendering of ``investment advice’’.

## POLICY

Our Firm’s policy is to have IARs provide education only to participants or beneficiaries in a participate directed qualified plan. DOL IB 96–1 identifies four categories (or “safe harbors”) of investment-related educational materials that advisors or others can provide to plan participants and beneficiaries without being considered to have provided fiduciary investment advice:

1. Plan information
2. General Investment Information
3. Asset Allocation Models, and
4. Interactive Investment Materials
	* + 1. **Plan Information**

Information and materials described relate to the plan and plan participation, without reference to the appropriateness of any individual investment option for a particular participant or beneficiary under the plan. The information, therefore, does not contain either “advice” or “recommendations”. Accordingly, the furnishing of such information would not constitute the rendering of “investment advice” for purposes of section 3(21)(A)(ii) of ERISA.

* + - 1. **General Financial and Investment Information**

Information and materials that inform a participant or beneficiary about:

1. General financial and investment concepts, such as risk and return, diversification, dollar cost averaging, compounded return, and tax deferred investment;
2. Historic differences in rates of return between different asset classes (e.g., equities, bonds, or cash) based on standard market indices;
3. Effects of inflation;
4. Estimating future retirement income needs;
5. Determining investment time horizons; and
6. Assessing risk tolerance.

The information and materials described above are general financial and investment information that have no direct relationship to investment alternatives available to participants and beneficiaries under a plan or to individual participants or beneficiaries. The furnishing of such information, therefore, would not constitute rendering “advice'' or making “recommendations” to a participant or beneficiary.

* + - 1. **Asset Allocation Models**

Examples include pie charts, graphs, or case studies that provide a participant or beneficiary with asset allocation portfolios of hypothetical individuals with different time horizons and risk profiles. Such models must satisfy the following requirements:

1. The models must be based on generally accepted investment theories that take into account the historic returns of different asset classes (e.g., equities, bonds, or cash) over define periods of time.
2. All material facts and assumptions on which such models are based (e.g., retirement ages, life expectancies, income levels, financial resources, replacement income ratios, inflation rates, and rates of return) must accompany the models.
3. To the extent that an asset allocation model identifies any specific investment alternative available under the plan, the model must be accompanied by a statement that
	* 1. other investment alternatives having similar risk and return characteristics may be available under the plan;
		2. Identifies where information on those investment alternatives may be obtained; and
		3. Included disclosure that, when applying an asset allocation to their individual situations, participants or beneficiaries should consider their other assets, income, and investments (e.g., equity in a residence, IRA and retirement investments, savings accounts, and interests in other qualified and non-qualified plans) in addition to their interests in the plan.
4. **Interactive Investment Materials**

Examples could include, but not limited to profile questionnaires, planning software, financial worksheets, and other materials that provide a participant or beneficiary the means to estimate future retirement income needs and assess the impact of different asset allocations on retirement income.

Approved materials must include:

1. General investment theories that take into account the historic returns of different asset classes (e.g., equities, bonds, or cash) over defined periods of time;
2. An objective correlation between the asset allocations generated by the materials and the information and data supplied by the participant or beneficiary;
3. All material facts and assumptions (e.g., retirement ages, income levels, financial resources, replacement income examples, life expectancies, rates that may affect a participant’s or beneficiary’s assessment of the different asset allocations
4. A statement indicating other investment alternatives having similar risk and return characteristics may be available under the plan and where information on those investment alternatives may be obtained; and
5. A statement indicating that, in applying particular asset allocations to their individual situations, participants or beneficiaries should consider their other assets, income, and investments (e.g., equity in a home, IRA investments, savings accounts, and interests in other qualified and nonqualified plans) in addition to their interests in the plan.

Providing education is not a fiduciary act, *but the authorization or designation to provide investment educational services to plan participants and beneficiaries is a fiduciary act.* Therefore, persons making this designation must act prudently and solely in the interest of the plan participants and beneficiaries.

## SUPERVISORY OVERSIGHT

The IAR will be required to obtain a client attestation that the IAR only provided “investment education” regarding the rollover and is required to submit educational materials and a client signed attestation to Compliance for review. **Please refer to: Education - Review of Client Consideration Attestation form.**

## UNSOLICITED ROLLOVER TRANSACTIONS

Firms may obtain plan assets from a qualified plan or an IRA transfer, on an unsolicited basis with the intent to be managed, and where the client independently decided to rollover the assets.

## SUPERVISORY OVERSIGHT ON UNSOLICITED ROLLOVERS

IAR’s will be required to obtain a client’s attestation that the IAR did not provide “investment advice or recommendations” regarding the plan rollover or IRA transfer. IAR’s are required to submit client signed documentation to Compliance for review.

**Please refer to: Unsolicited Transactions - Client Attestation form.**

## INVESTMENT MANAGEMENT FOR RETIREMENT PLANS -3(21) or 3(38)

## RESPONSIBILITY

The CCO is responsible for managing ERISA accounts in a manner that complies with the provisions of ERISA and tax-qualified accounts in a manner that complies with the Code, and that neither [Abbreviation of Firm] nor its employees enter into any transactions prohibited under ERISA and the Code.

The CCO is responsible for engaging counsel, as necessary, regarding [Abbreviation of Firm] ’s responsibilities when managing an account subject to ERISA or the Code.

## COVERED SERVICE PROVIDER

The CCO will determine whether [Abbreviation of Firm] is a "covered service provider." [Abbreviation of Firm] will meet that definition if the following three conditions exist:

1.   it has a contract or an arrangement with a covered plan;

2.   it reasonably expects to receive $1,000 or more in direct or indirect compensation under an arrangement involving the covered plan; and

3.   it provides "covered services."

Covered services most relevant to registered advisers are:

Services provided directly to a plan as a fiduciary under ERISA Section 3(21) or 3(38), which would generally include an investment adviser providing advisory services to a plan or participants in a plan under Section 3(21)(A)(ii);

Services provided directly to a plan as an investment adviser registered under the Investment Advisers Act of 1940 or state law, which would include registered investment advisers providing services that might not constitute fiduciary services; and

Consulting and investment advisory services if the investment adviser reasonably expects to receive "indirect compensation" (as defined in the regulation). "Consulting" services are those that relate to the development or implementation of investment policies or objectives or the selection or monitoring of service providers or plan investments.

[Abbreviation of Firm] falls within "covered service providers" under one or more the above categories because it:

provides "direct" investment advice;

is a fiduciary under ERISA; and

is registered under the Advisers Act and provides services covered by that registration.

In addition, [Abbreviation of Firm] will be a covered service provider if it receives indirect compensation and provides such consulting services as:

assisting with the development of a plan's investment policy;

helping with the selection or monitoring of the recordkeeper; and

providing information to assist a fiduciary in monitoring a plan's investments.

## PLAN DOCUMENTS

With respect to each plan client, [Abbreviation of Firm] will review, familiarize itself with, and follow the specific guidelines, limitations, and restrictions under which the plan operates. [Abbreviation of Firm] shall invest plan client assets only if such investment is permitted by, and consistent with, the plan documents that govern the plan client.

## BONDING

The CCO will check ERISA and applicable Department of Labor rules to see if its activities with respect to plan clients holding plan assets require [Abbreviation of Firm] to obtain a bond. If so, the CCO will arrange for [Abbreviation of Firm] to obtain appropriate coverage.

Each bond shall:

Protect the Plan from losses incurred by fraudulent or dishonest acts performed by [Abbreviation of Firm] officer or employee; and

Have a corporate surety company that meets Department of Treasury regulations.

## RULE 408(B)

[Abbreviation of Firm] will monitor whether it is a "covered service provider" under ERISA, a status if obtained will require it to make certain disclosures. This disclosure is included in our Plan Sponsor Agreement.

## REPORTING

[Abbreviation of Firm] will disclose, upon written request, any other information relating to compensation received in connection with the arrangement, if it is required for the investing plan to comply with the reporting and disclosure requirements of ERISA and the regulations, forms and schedules issued thereunder. [Abbreviation of Firm] will provide such information not later than 30 days after receipt of a written request from the responsible plan fiduciary or plan administrator unless the disclosure is precluded due to extraordinary circumstances beyond [Abbreviation of Firm] control. In that case, it will disclose the information as soon as practicable.

## AGREEMENT

In each agreement with a covered person, [Abbreviation of Firm] will describe the services it provides.

## COMPENSATION

[Abbreviation of Firm] must describe:

the direct and indirect compensation to be received by it and its affiliates and sub-advisers. Direct compensation means "compensation" (i.e., anything of monetary value, such as money, gifts, awards, and trips, but excluding non-monetary items of $250 or less received during the term of the contract or arrangement) that is received directly from a plan. Indirect compensation is "compensation" that is received from any source other than the plan, the plan sponsor, the covered service provider, an affiliate of the service provider or a subcontractor of the service provider;

the manner of payment, e.g., whether it will bill the plan, deduct fees from plan accounts or reflect a charge against the plan investments; and

any compensation [Abbreviation of Firm] reasonably expects to receive in connection with termination of the contract (e.g., a surrender charge) and how prepaid amounts will be calculated and refunded upon termination of the contract (e.g., if [Abbreviation of Firm] charges in advance for a particular period, e.g., quarterly).

## ERISA REPORTING

With respect to plan clients to which [Abbreviation of Firm] provides investment management services, [Abbreviation of Firm] will comply or assist others, including plan sponsors, with complying with all applicable reporting obligations set forth in ERISA.

Each year, the plan sponsor and/or administrator will file an annual report with the US Department of Labor and the IRS on Form 5500. Such reports shall include, among other information, the value of the assets of its plan clients at the beginning and end of the year and compensation earned directly and indirectly by [Abbreviation of Firm] in connection with the services it provided to the plan.

[Abbreviation of Firm] will use its best efforts to provide certain information, including information about its direct and indirect compensation received in its role as a service provider to the plan and plan participants, to the plan administrator so that the plan administrator is able to complete Schedule C of Form 5500. If [Abbreviation of Firm] provides a notice to plan participants containing certain information, the plan administrator may be able to file a simplified disclosure with the DOL and IRS. This may reduce the amount of information [Abbreviation of Firm] has to provide to the plan administrator.

## DISCLOSURE

If [Abbreviation of Firm] is subject to Rule 408(b), it must provide the following disclosure in writing to covered plans:

description of services to be provided;

status of [Abbreviation of Firm] (e.g., registered investment adviser, fiduciary, or both);

all direct compensation to be received (either in aggregate or by service);

all indirect compensation to be received (describing services and payor);

any related compensation if set on a transaction basis, or charged directly against a plan's investment and reflected in the net asset value of the investment;

any termination compensation, including how any prepaid amounts will be calculated and rebated; and

description of the manner in which it receives the fees (e.g., billed or deducted).

## PROCEDURES

Prior to entering into an agreement with an ERISA account, [Abbreviation of Firm] will:

Review the plan documents;

Identify who is responsible for administering the plan;

Identify who is the plan’s trustee and/or “named fiduciary;”

Verify that the plan official engaging [Abbreviation of Firm] has the requisite authority to engage [Abbreviation of Firm] for the proposed engagement; and

Identify all stated objectives and restrictions governing the plan account.

Due to the complicated regulations under ERISA and the Code, prior to rendering investment advice to an account governed by ERISA or the Code, the CCO will consult with appropriate counsel if necessary.

## BOOKS AND RECORDS

In its books and records, [Abbreviation of Firm] will maintain a list of all accounts governed by ERISA or tax‑qualified under the Code along with a copy of plan documents, client agreements, or other documentation describing the plan’s objectives or [Abbreviation of Firm] ’s services.

## INDIVIDUAL RETIREMENT ACCOUNTS

An individual retirement account (“IRA”) is not subject to ERISA unless it is part of a simplified employee pension plan (also known as a SEP-IRA) or SIMPLE-IRA. However, while IRAs are not covered by ERISA, they are tax-qualified under the Code and therefore subject to its requirements.

# OPENING ACCOUNTS FOR SENIOR INVESTORS

## OBJECTIVE

On Jan. 24, 2018, the United States House of Representatives passed the [Senior Safe Act](http://docs.house.gov/billsthisweek/20180129/HR2255.pdf). The Senior Safe Act (referred to as “the Act,” formerly H.R. 3758) encourages financial services Firms to train employees to spot elder abuse, while granting limited immunity to individuals at financial institutions who report such abuse to law enforcement or regulators in accordance with the Act.

In response to the Senior Safe Act, our Firm has adopted the following best practices when dealing with Senior clients over the age of 62.

## DEFINITION OF TRUSTED CONTACT

A “Trusted Contact” Person is intended to be a resource for Firms in handling clients’ accounts, protecting assets, and responding to possible financial exploitation of any vulnerable investors particularly Seniors.

Clients who name a Trusted Contact Person with our Firm provide written authorization to reveal certain information about the Client and the Client accounts to the Trusted Contact Person. While the Trusted Contact Person cannot direct transactions in the account, they may learn certain sensitive information about account balances, holdings, and beneficiaries as well as other information related to the senior’s health, estate planning (e.g., individuals designated with legal powers, trustees, guardianship, executor, etc.). The Firm is further authorized by the Clients to use discretion when providing the necessary disclosures to the Trusted Contact Person.

## PROCESS

At the time of account opening, the IAR is encouraged to ask for information about a “Trusted Contact Person” when a senior Client, age 62 and older, engages our Firm for investment management services, or for existing accounts when the Firm normally updates its Client profiles. The senior Client isn’t required to provide the name of a Trusted Contact Person, but the Firm should make a reasonable effort to collect this information. A Trusted Contact Person must be a person over age 18; however, the amendment does not include any other requirements, for example: joint account holders, trustees, and persons having powers of attorney may be named as a Trusted Contact Person.

When opening accounts, the following should be considered when serving senior investors:

encourage Clients to identify a Trusted Contact Person and obtain permission to contact that person in the event there is an issue or event that requires clarification (such as the Client suffers diminished mental capacity in the future); document in the file if the Client refuses to identify a contact person

indicate "retired" on the new account form to assist in evaluating the investor's status as someone potentially withdrawing from investments vs. accumulating assets

obtain "lifestyle" information such as when the investor plans to retire, if not already retired; how much money will be needed after retirement; whether there are prospects for future employment; whether a dependent is supported by the investor; other expenses including healthcare expenses anticipated by the investor; the existence of a will and financial power of attorney

If there is evidence of financial abuse or diminished capacity, before opening an account, contact the CCO.

The absence of the name of or contact information for a Trusted Contact Person shall not prevent the Firm from opening or maintaining an account for a Client, provided that the Firm makes reasonable efforts to obtain the name of and contact information for a Trusted Contact Person.

## DIMINISHED MENTAL CAPACITY

A difficult issue is a Client who appears to be suffering from diminished mental capacity. If a Client's behavior suggests reduced capacity, it is important to take steps to protect the Client, the IAR and the Firm. Relatives or estate beneficiaries may file a complaint or lawsuit if they believe the Client was unable to understand what was occurring in his or her account.

There are a number of steps that may be taken to address the issue:

Contact the Trusted Contact Person

Have a conversation with the Client or CCO present to assist in making a determination.

Raise the issue with family members and determine if the Client has given power of attorney to another person.

Document meetings, conversations, and other exchanges with relatives about the situation.

Document communications with the Client about investments.

As a final alternative, decide not to continue doing business with the Client.

Contact Compliance with questions about a proper course of action.

## POTENTIAL INDICATION OF ELDER FINANCIAL EXPLOITATION

Firms may become aware of persons or entities perpetrating illicit activity against the elderly through monitoring transaction activity that is not consistent with expected behavior. In addition, Firms may become aware of such scams through their direct interactions with elderly Clients who are being financially exploited. Such activity may include erratic or unusual transactions, or changes in account patterns and/or suspicions interaction with a client’s caregiver.

## TRAINING

As needed and during the Firm’s Annual Compliance Meeting, the Firm will address the red flags to be aware of when IARs are dealing with clients over the age of 62. Any questions regarding senior investors should be sent to Compliance.

Suspected elder abuse, including financial abuse, and suspected diminished capacity, may require the contacting of appropriate state or other authorities. In certain cases, having Compliance make direct contact with the investor or Trusted Contact Person might be appropriate.

# COMPLAINTS

## SUPERVISORY RESPONSIBILITY

The CCO shall be responsible for ensuring that all written and electronically transmitted client complaints are handled in accordance with all applicable laws, rules, and regulations and in keeping with the provisions of this Section.

## DEFINITION

The Firm defines a “complaint” as any statement (whether delivered in writing, orally or electronically) made by a client, or any person acting on behalf of a client, alleging a grievance involving the activities of those persons under the control of [Abbreviation of Firm] in connection with its management of the client’s account.

## HANDLING OF CLIENT COMPLAINTS

[Abbreviation of Firm] takes any and all client complaints seriously and the CCO shall promptly initiate a review of the factual circumstances surrounding any complaint that has been received.

Employees must notify the CCO immediately upon his or her receipt of a written or oral client complaint and provide the CCO with all information and documentation in his or her possession relating to such complaint.

Employees are expected to cooperate fully with [Abbreviation of Firm] and with regulatory authorities in the investigation of any client complaint.

[Abbreviation of Firm] shall maintain a separate file for all written, oral, and electronically transmitted client complaints in its Main Office, to include the following information:

Identification of each complaint;

The date each complaint was received;

Identification of each employee servicing the account;

A general description of the matter complained of;

Copies of all correspondence involving the complaint; and

The written report of the action taken with respect to the complaint.

# CORRESPONDENCE

Employees should use discretion in communicating information to advisory clients and prospective clients. This policy applies to all communications used with existing or prospective clients, including information available in electronic form such as on a web site.

At all times, [Abbreviation of Firm] will endeavor to ensure all client communications are presented fairly to clients in a balanced manner and are not misleading. In addition, the Firm will endeavor to disclose all material facts known to it to our clients.

## DEFINITION – AMEND LANGUAGE IN THIS SECTION HIGHLIGHTED IN BLUE

Correspondence includes incoming and outgoing written and other communications to clients or prospective clients, regardless of the method of transmission (mail, facsimile, personal delivery, courier services, electronic mail, etc.). Correspondence also includes portfolio seminars, panel presentations, speeches and other types of information originated by an employee of [Abbreviation of Firm] and provided to one or more clients or prospective clients. Interactive conversations (e.g., personal meetings, telephone conversations, other than scripted sales calls ~~and posting to and in "chat rooms,")~~ generally are not considered correspondence. Advertising, sales literature, and market letters are not included in this definition of correspondence; rather, they are covered in the ***Marketing & Advertising*** section of this Compliance Manual.

## OUTGOING CORRESPONDENCE

1. Responsibility

The CCO shall be responsible for ~~enduring all outgoing correspondence~~ spot checking outgoing correspondence regarding client investments and retained in compliance with the following Firm guidelines and the applicable laws, rules and regulations governing the activities of [Abbreviation of Firm]. All employees who transmit any correspondence regarding client investments shall ensure that a copy of the correspondence is reviewed by the CCO or designee. The CCO shall initial a copy of all correspondence reviewed and such copy shall be maintained in [Abbreviation of Firm]’s compliance files.

1. General Guidelines for Outgoing Correspondence

Employees shall send and receive all correspondence at such locations and through such channels as are designated by [Abbreviation of Firm]. No Firm related correspondence of any kind, including electronic correspondence, may be sent, or received through the home or home computer of an employee without the pre-approval of the CCO.

Truthfulness and good taste shall be required.

Exaggerated or outrageous language should be avoided.

Projections and predictions are never permitted except when in accordance with [Abbreviation of Firm]’s policies regarding marketing & advertising.

[Abbreviation of Firm] prohibits photocopying and distributing copyrighted material in violation of copyright law.

Use of [Abbreviation of Firm]’s letterhead and other official stationery is limited to Firm-related matters.

No material marked "For Internal Use" or with words of similar effect may be sent to anyone outside [Abbreviation of Firm].

No employee is authorized to make any statements or supply any information about a security that is the subject of a securities offering other than the information contained in offering materials that have been approved for such offering. ***Violations of this policy can subject the employee and [Abbreviation of Firm] to severe civil and, in some cases, criminal liability.***

## INCOMING CORRESPONDENCE

1. General

All incoming correspondence may be opened and reviewed by the Firm’s CCO or other designee. Correspondence subject to this policy includes letters, facsimiles, courier deliveries and other forms of communication, including, but not limited to, communications marked "personal," "confidential," or words to this effect.

1. Procedures

Obvious non-client correspondence may be forwarded directly to the addressee.

Complaints will be immediately forwarded to the CCO.

Original client correspondence will be retained in the Firm's files.

## APPROVAL

Review of correspondence shall be evidenced by (as applicable):

Initialing and dating [Abbreviation of Firm]’s file copy of written correspondence; or

Electronically initialing and dating [Abbreviation of Firm]’s electronic file copy.

## RECORDS

Copies of all reviewed correspondence shall be maintained at [Abbreviation of Firm]’s principal place of business for a period of not less than five (5) years, or longer if required by applicable SEC or state regulations. Electronic correspondence may be retained in the format in which it was received.

## PERSONAL MAIL

Personal mail may notbe distinguishable from Firm mail and as a result, employees should direct all personal mail to their home address. Furthermore, because of this inability to distinguish between personal and other mail, any personal mail received at the Firm’s location is subject to [Abbreviation of Firm]'s incoming mail review policies.

# PRIVACY PROTECTION AND INFORMATION SECURITY POLICIES

# REGULATION S-P

Regulation S-P (“Reg S-P”) requires registered investment advisers to adopt and implement policies and procedures that are reasonably designed to protect the confidentiality of nonpublic personal records. Reg S-P applies to “consumer” records, meaning records regarding individuals, families, or households. [Abbreviation of Firm] is committed to protecting the confidentiality of all non-public information regarding its Clients and Employees (“Nonpublic Personal Information”).

Reg S-P requires [Abbreviation of Firm] to provide its individual Clients with notices describing its privacy policies and procedures. These privacy notices must be delivered to all new individual Clients upon entering into an advisory agreement, and thereafter only when there is a change to the policy. Reg S-P does not require the distribution of privacy notices to companies or to individuals representing legal entities.

In addition to Reg S-P, certain states have adopted consumer privacy laws that may be applicable to investment advisers with Clients who are residents of those states.

In the event of new privacy-related laws or regulations affecting the information practices of the Firm, this Privacy Policy will be revised as necessary, and any changes will be disseminated and explained to all personnel.

## SCOPE OF POLICY

This Privacy Policy covers the practices of the Firm and applies to all nonpublic personally identifiable information of our current and former clients.

## OVERVIEW OF THE GUIDELINES FOR PROTECTING CLIENT INFORMATION

In Regulation S-P, the SEC published guidelines that address the steps a financial institution should take in order to protect client information. The overall security standards that must be upheld are:

Ensure the security and confidentiality of client records and information;

Protect against any anticipated threats or hazards to the security or integrity of client records and information; and

Protect against unauthorized access to or use of client records or information that could result in substantial harm or inconvenience to any client.

## EMPLOYEE RESPONSIBILITY

Each employee has a duty to protect the nonpublic personal information of clients collected by and/or in the possession of Firm.

No employee is authorized to disclose or use the nonpublic information of clients on behalf of the Firm without the prior written consent of the client.

Each employee has a duty to ensure that the nonpublic personal information of the Firm’s clients is shared only with employees and others in a way that is consistent with the Firm’s Privacy Notice and the procedures contained in this Policy.

Each employee has a duty to ensure that access to the nonpublic personal information of the Firm’s clients is limited as provided in the Privacy Notice and this Policy. Although these principles, policies and procedures apply specifically to nonpublic personal information, employees must be careful to protect all of [Abbreviation of Firm]’s proprietary information.

No employee is authorized to sell on behalf of the Firm or otherwise, nonpublic information of the Firm’s clients.

Unauthorized dissemination of proprietary information and/or personal and sensitive client data is prohibited and a violation of Regulation SP. This includes sending client nonpublic information to personal emails. Unauthorized downloading of confidential client information to a thumb or zip drive is also prohibited.

Employees with questions concerning the collection and sharing of, or access to, nonpublic personal information of the Firm’s clients must look to the Firm’s CCO for guidance.

Improper use of [Abbreviation of Firm]’s proprietary information, including Nonpublic Personal Information, is cause for disciplinary action, up to and including termination of employment for cause and referral to appropriate civil and criminal legal authorities.

## INFORMATION PRACTICES

The Firm collects nonpublic personal information about clients from various sources. These sources and examples of the types of information collected include:

Product and service applications or other forms, such as client surveys, agreements, etc., typically including, but not limited to, name, address, age, social security number or taxpayer ID number, assets, and income;

Past Transactions, which may include, but are not limited to, account balance(s), types of transactions and investments;

Other third-party sources.

## DISCLOSURE OF INFORMATION TO NONAFFILIATED THIRD PARTIES – “DO NOT SHARE” POLICY

The Firm has a “Do Not Share” Privacy Policy. It does not disclose any nonpublic personal information about clients or former clients to nonaffiliated third parties.

Under no circumstances does the Firm share credit-related information, such as income, total wealth, and other credit header information with these nonaffiliated third parties.

## TYPES OF PERMITTED DISCLOSURES – THE EXCEPTIONS

Regulation S-P contains several exceptions which permit [Abbreviation of Firm] to disclose client information (the “Exceptions”). For example, [Abbreviation of Firm] is permitted under certain circumstances to provide information to non-affiliated third parties to perform services on the Firm’s behalf. In addition, there are several “ordinary course” exceptions which allow [Abbreviation of Firm] to disclose information that is necessary to effect, administer or enforce a transaction that a client has requested or authorized. A more detailed description of these Exceptions is set forth below.

1. Service Providers

The Firm may from time to time have relationships with nonaffiliated third parties that require it to share client information in order for the third party to carry out services for the Firm. These nonaffiliated third parties would typically represent situations where [Abbreviation of Firm] or its employees offer products or services jointly with another financial institution, thereby requiring the Firm to disclose client information to that third party.

Every nonaffiliated third party that falls under this exception is required to enter into an agreement that will include the confidentiality provisions required by Regulation S-P, which ensure that each such nonaffiliated third party uses and re-discloses client nonpublic personal information only for the purpose(s) for which it was originally disclosed.

1. Processing and Servicing Transactions

The Firm may also share information when it is necessary to effect, administer or enforce a transaction for our clients or pursuant to written client requests. In this context, “Necessary to effect, administer, or enforce a transaction” means that the disclosure is required, or is a usual, appropriate, or acceptable method:

To carry out the transaction or the product or service of which the transaction is a part, and record, service, or maintain the consumer's account in the ordinary course of providing the financial service or financial product;

To administer or service benefits or claims relating to the transaction or the product or service of which it is a part;

To provide a confirmation, statement, or other record of the transaction, or information on the status or value of the financial service or financial product to the consumer or the consumer's agent or broker; or

To accrue or recognize incentives or bonuses associated with the transaction that are provided by the Firm or any other party.

1. Sharing as Permitted or Required by Law

The Firm may disclose information to nonaffiliated third parties as required or allowed by law. This may include, for example, disclosures in connection with a subpoena or similar legal process, a fraud investigation, recording of deeds of trust and mortgages in public records, an audit or examination, or the sale of an account to another financial institution. The Firm has taken the appropriate steps to ensure that it is sharing client data only within the Exceptions noted above. The Firm has achieved this by understanding and limiting how the Firm shares data with its clients, their agents, service providers, parties related to transactions in the ordinary course or joint marketers.

## PROVISION OF OPT OUT

As discussed above, [Abbreviation of Firm] currently operates under a “Do Not Share” policy and therefore does not need to provide the right for its clients to opt out of sharing with nonaffiliated third parties. If our information sharing practices change in the future, [Abbreviation of Firm] will implement opt-out policies and procedures and make appropriate disclosures to our clients.

## SAFEGUARDING OF CLIENT RECORDS AND INFORMATION

The Firm has implemented internal controls and procedures designed to maintain accurate records concerning clients’ personal information. The Firm’s clients have the right to contact the Firm if they believe that Firm records contain inaccurate, incomplete, or stale information about them. The Firm will respond in a timely manner to requests to correct information. To protect this information, [Abbreviation of Firm] maintains appropriate security measures for its computer and information systems, including the use of passwords and firewalls. (See also ***Written Information Security Policy*** below.)

Additionally, the Firm will use shredding machines, locks, and other appropriate physical security measure to safeguard client information stored in paper format. For example, employees are expected to secure client information in locked cabinets when the office is closed.

## SECURITY STANDARDS

[Abbreviation of Firm] maintains physical, electronic, and procedural safeguards to protect the integrity and confidentiality of client information. Internally, [Abbreviation of Firm] limits access to clients’ nonpublic personal information to those employees who need to know such information in order to provide products and services to clients. All employees are trained to understand and comply with these information principles.

## PRIVACY POLICY

[Abbreviation of Firm] has developed a Privacy Notice, as required under Regulation S-P, to be delivered to clients initially. The notice discloses the Firm’s information collection and sharing practices and other required information and has been formatted and drafted to be clear and conspicuous. The notice will be revised as necessary any time information practices change. [Abbreviation of Firm] would notify clients of any change to this Privacy Notice.

## PRIVACY POLICY DELIVERY

**Initial Privacy Notice -** As regulations require, all new clients will receive an initial Privacy Notice at the time when the client relationship is established, specifically, upon the execution of the agreement for services.

## REVISED PRIVACY POLICY

Regulation S-P requires that the Firm amend its Privacy Policy and distribute a revised disclosure to clients if there is a change in the Firm’s collection, sharing or security practices.

# REG S-ID IDENTITY THEFT PREVENTION PROGRAM (ITPP)

It is the policy of [Abbreviation of Firm] to protect our clients and their accounts from identity theft and to comply with the SEC’s Red Flags Rule. We will do this by developing and implementing this written policy, which is appropriate to our size and complexity, as well as the nature and scope of our activities. This section addresses:

identifying relevant identity theft red flags for our Firm

detecting those red flags

responding appropriately to any that are detected to prevent and mitigate identity theft

updating our ITPP policy periodically to reflect changes in risks.

Our identity theft policies and procedures will be reviewed and updated periodically to ensure they account for changes both in regulations and in our business.

## IDENTIFYING RELEVANT RED FLAGS

To identify relevant identity theft Red Flags, our Firm assessed these risk factors:

the types of accounts the Firm offers,

the methods it provides to open or access these accounts,

any previous experience with identity theft.

Our Firm also considered red flags from the following five categories of the SEC’s Red Flags Rule, as they fit our situation:

alerts, notifications, or warnings from a credit reporting agency;

suspicious documents;

suspicious personal identifying information;

suspicious account activity; and

notices from other sources.

## DETECTING RED FLAGS

[Abbreviation of Firm] has reviewed our client accounts, how we open and maintain them, and how to detect red flags that may have occurred in working with our clients. Our detection of those red flags is based on our methods of getting information about clients, working with our Custodian for discrepancy in client information, verifying clients who access their accounts, and monitoring transactions and change of address requests. For opening new accounts, that can include gathering information about the applicant and verifying the identity of the person opening the account with our Custodian. For existing covered accounts, it can include authenticating clients, monitoring transactions, and verifying the validity of changes of address. Refer to the Firm ’s Red Flag Identification and Detection Grid, below.

## PROCEDURES TO PREVENT AND MITIGATE IDENTITY THEFT

When [Abbreviation of Firm] has been notified of a red flag or our detection procedures show evidence of a red flag, we will take the steps outlined below, as appropriate to the type and seriousness of the threat:

## APPLICANTS: FOR RED FLAGS RAISED BY SOMEONE ATTEMPTING TO BECOME A CLIENT.

*Review the Application*

We will collect the applicant’s information for our Firm records and Custodian paperwork (*e.g.*, name, date of birth, address, and an identification number such as a Social Security Number or Taxpayer Identification Number).

*Seek Additional Verification from Custodian or OFAC*

 If the potential risk of identity theft is indicated by the red flag, we may also verify the person’s identity through non-documentary methods, including:

* + 1. Contacting the custodian for verification check
		2. Checking references with other affiliated financial institutions, or
		3. Obtaining a financial statement

*Deny the Application*

If we find that the applicant is using an identity other than his or her own, we will deny engaging the client.

*Report*

If we find that the applicant is using an identity other than his or her own, we will report it to appropriate local and state law enforcement. We may also report the findings to the SEC, state regulatory authorities, such as the state securities commission, and the Custodian.

## SEEKERS: FOR RED FLAGS RAISED BY SOMEONE SEEKING TO ACCESS AN EXISTING CLIENT’S ACCOUNT:

*Watch*

We will monitor, limit, or temporarily suspend activity in the account until the situation is resolved.

*Check with the Clients*

We will contact the clients using our existing contact information on file for them, describe what we have found, and verify with them that there has been an attempt at identify theft.

*Heightened Risk*

We will determine if there is a particular reason that makes it easier for an intruder to seek access, such as a client’s lost wallet, mail theft, a data security incident, or the client’s giving account information to an imposter pretending to represent the Firm or to a fraudulent website.

*Check Similar Accounts*

We will review similar accounts the Firm has to see if there have been attempts to access them without authorization.

*Collect Incident Information*

For a serious threat of unauthorized account access, we may collect additional information, if available:

1. Custodians contact name and telephone number
2. Dates and times of activity
3. Securities involved (name and symbol)
4. Details of trades or unexecuted orders
5. Details of any wire transfer activity
6. Client’s accounts affected by the activity, including name and account number, and
7. Whether the clients will be reimbursed and by whom.

*Report*

If we find unauthorized account access, we will report it to appropriate local and state law enforcement, we may also report the findings to the SEC, state regulatory authorities, such as the state securities commission, and the Custodian.

*Notification*

If we determine personally identifiable information has been accessed those results in a foreseeable risk for identity theft, we will prepare any specific notice to clients or other required notice under state law.

*Assist the Clients*

We will work with our clients to minimize the impact of identity theft by taking the following actions, as applicable:

1. Offering to change the password, security codes or other ways to access the threatened account;
2. Offering to close the account;
3. Instructing the clients to go to the FTC Identity Theft Website to learn what steps to take to recover from identity theft, including filing a complaint using its online complaint form, calling the FTC’s Identity Theft Hotline 1-877-ID-THEFT (438-4338), TTY 1-866-653-4261, or writing to Identity Theft Clearinghouse, FTC, 6000 Pennsylvania Avenue, NW, Washington, DC 20580.

## CUSTODIAN AND OTHER SERVICE PROVIDERS

All of our advisory clients hold their accounts at a qualified Custodian. We have a process to confirm that our recommended Custodian and any other service provider that performs activities in connection with the covered accounts, especially other service providers that are not otherwise regulated, comply with reasonable policies and procedures designed to detect, prevent, and mitigate identity theft. We will require our service providers by contract to have such policies and procedures and either report the red flags that may arise in the performance of the service providers’ activities to us or take appropriate steps of their own to prevent or mitigate the identify theft or both.

## UPDATES AND ANNUAL REVIEW

[Abbreviation of Firm] will update this plan whenever we have a material change to our operations, structure, business, or location or to those of our recommended Custodian. Our Firm will also follow new ways that identities can be compromised and evaluate the risk they pose for our Firm.

This grid provides Red Flags Rule categories and examples of potential red flags. Please note these examples are neither an exhaustive nor a mandatory checklist, but a way to help our Firm evaluate relevant red flags in the context of its business.

|  |  |
| --- | --- |
| Red Flag | Detecting the Red Flag |
| **Category: Suspicious Documents** |
| 1. Identification documents look altered

or forged. | Our staff who deals with clients and their supervisors will scrutinize identification presented in person to make sure it is not altered or forged. |
| 1. Other information on the identification does not match other information our Firm has on file for the presenter. (Example: the original account application, signature card or a recent check).
 | Our staff who deals with clients and their supervisors will ensure that the identification presented and other information we have on file from the account are consistent. |
| 1. The application looks like it has been altered, forged, or torn up and reassembled.
 | Our staff who deals with clients and their supervisors will scrutinize each application to make sure it is not altered, forged, or torn up and reassembled. |
| **Category: Suspicious Personal Identifying Information** |
| 1. Inconsistencies exist between the personal identifying information presented and other things we know about the presenter or can find out by checking readily available external sources, such as an address that does not match a consumer report, or the Social Security Number (SSN) has not been issued or is listed on the Social Security Administration's (SSA’s) Death Master File.
 | Our staff will check personal identifying information presented to us to ensure that the SSN given has been issued but is not listed on the SSA’s Master Death File. If we receive a consumer report, they will check to see if the addresses on the application and the consumer report match. |
| 1. Inconsistencies exist in the personal identifying information that the clients give us, such as a date of birth that does not fall within the number range on the SSA’s issuance tables.
 | Our staff will check personal identifying information presented to us to make sure that it is internally consistent by comparing the date of birth to see that it falls within the number range on the SSA’s issuance tables. |
| 1. Personal identifying information presented has been used on an account our Firm knows was fraudulent, such as the address or phone number provided on the application is the same as the address or phone number on a fraudulent application.
 | Our staff will compare the information presented with addresses and phone numbers on accounts or applications we found or were reported were fraudulent. |
| 1. Personal identifying information presented is a type commonly associated with fraud, such as an address that is fictitious, a mail drop, or a prison; or a phone number is invalid or is for a pager or answering service.
 | Our staff will validate the information presented when opening an account by looking up addresses on the Internet to ensure they are real and not for a mail drop or a prison and will call the phone numbers given to ensure they are valid and not for pagers or answering services. |
| 1. The SSN presented was used by someone else opening an account or other clients.
 | Our staff will compare the SSNs presented to see if they were given by others opening accounts or other clients. |
| 1. The address or telephone number presented has been used or is similar to those used by many other people opening accounts or other clients.
 | Our staff will compare address and telephone number information to see if they were used by other applicants and clients. |
| 1. The person opening the account, or the clients omits required personal identifying information on an application or in response to notification that the application is incomplete.
 | Our staff will track when applicants or clients have not responded to requests for required information and will follow up with the applicants or clients to determine why they have not responded. |
| 1. Inconsistencies exist between the personal identifying information that is presented and what our Firm has on file.
 | Our staff will verify key items from the data presented with information we have on file. |
| **Category: Unusual Use of, or Suspicious Activity Related to, the Covered Account** |
| 1. Soon after we get a change of address request for an account, we receive a request for new or additional access means (such as debit cards or checks) or authorized users for the account.
 | We will verify change of address requests by sending a notice of the change to both the new and old addresses so the clients will learn of any unauthorized changes and can notify us. |
| 1. An account develops new patterns of activity, such as nonpayment inconsistent with prior history; a material increases in the use of available credit; or a material change in spending patterns or electronic fund transfers.
 | We will review our accounts on at least a monthly basis and check for suspicious new patterns of activity such as nonpayment, a large increase in credit use, or a big change in spending or electronic fund transfers. |
| 1. Mail our Firm sends to a client is returned repeatedly as undeliverable even though the account remains active.
 | We will note any returned mail for an account and immediately check the account’s activity. |
| 1. We learn that a client is not getting his or her paper account statements.
 | We will record on the account any report that the clients are not receiving paper statements and immediately investigate them. |
| 1. We are notified that there are unauthorized charges or transactions to the account.
 | We will verify if the notification is legitimate and involves a Firm account, and then investigate the report. |
| **Category: Notice from Clients, Victims of Identity Theft, Law Enforcement Authorities, or Other Persons Regarding Possible Identity Theft in Connection with Covered Account** |
| 1. We learn that unauthorized access to the client’s personal information took place or became likely due to data loss (e.g., loss of wallet, birth certificate, or laptop), leakage, or breach.
 | We will contact the client to learn the details of the unauthorized access to determine if other steps are warranted. |

# CYBERSECURITY / WRITTEN INFORMATION SECURITY POLICY (“WISP”)

## OVERVIEW

This policy serves to further provide protection of any and all personal information for persons related to business with [Abbreviation of Firm] and shall further identify all procedures to be carried out in the event of a security breach as defined by the Privacy Protection and Information Security Policy above.

It shall be the responsibility of [Abbreviation of Firm] to provide adequate protection and confidentiality of all corporate data and any and all personal information whether held centrally on local storage media, or remotely to ensure the continued availability of data and programs to all authorized members of staff and to ensure the integrity of all data and configuration controls.

##  SCOPE

This policy applies to employees, contractors, consultants, Investment Adviser Representatives, and other workers at [Abbreviation of Firm], including all personnel affiliated with third parties. This policy applies to all equipment that is owned or leased by [Abbreviation of Firm]. The policy further applies to any and all Firm records that may contain personal information about a current client, whether electronic, paper, computing systems, storage media, laptops, portable devices, and other records.

## GENERAL USE AND OWNERSHIP

While [Abbreviation of Firm] desires to provide a reasonable level of privacy, users should be aware that data that they create on the corporate systems remains the property of [Abbreviation of Firm]. Because of the need to protect the [Abbreviation of Firm] network, confidentiality of information stored on any network device belonging to [Abbreviation of Firm] cannot be guaranteed.

All information held on the network including email, file systems and databases are the property of [Abbreviation of Firm] and staff should have no expectation of privacy for this data.

Although it is not the general practice of [Abbreviation of Firm] to monitor stored files, and Internet access for their general content, [Abbreviation of Firm] reserves the right to do so for the protection of staff, for system performance, maintenance, auditing, security, or investigative functions (including evidence of unlawful activity or breaches to [Abbreviation of Firm] policy) and to protect itself from potential corporate liability.

[Abbreviation of Firm]’s general policy is to review a sample of incoming and outgoing email for compliance purposes either internally or by outsourcing to an appropriate software vendor.

[Abbreviation of Firm] reserves the right to audit networks and systems on a periodic basis to ensure compliance with this policy.

Network Access

User Identification and Passwords

Each user shall be assigned an individual username and password. Passwords must not be written down or disclosed to any other individual. The owner of a given username will be held responsible for all actions performed under use of that username.

[Abbreviation of Firm] users will be forced to change passwords at least every four months (120 days) for any system that contains personal information about a client.

A list of DONTs for passwords:

* Don’t reveal a password over the phone to ANYONE
* Don’t reveal a password in an email message
* Don’t reveal a password to any individual
* Don’t talk about a password in front of others
* Don’t hint at the format of a password (e.g., my street name)
* Don’t reveal a password on questionnaires or security forms
* Don’t share a password with family members
* Don’t reveal a password to co-workers while on vacation

Passwords must be chosen with a reasonable effort to avoid passwords that may be easily guessed or logical

Passwords must not be inserted into email messages or other forms of electronic communication.

Password Manager software may only be used if it is approved by the Firm. Generally, the Firm requires that the software:

Utilizes 256 bit or stronger encryption to protect stored data;

Utilizes a master password for access

Do not write passwords down and store them anywhere in your office.

Do not store passwords on ANY computer system including handheld devices without encryption.

If an account or password is suspected to have been compromised, immediately report the incident to the appropriate IT resource.

## PC AND NOTEBOOK SECURITY

General

* PCs and notebook computers must not be left unattended for long periods while signed-on (i.e., during lunch, coffee breaks, etc.) Users must either logoff or activate a password-controlled screensaver if they are leaving their pc.
* All reasonable precautions must be taken to protect equipment against damage, loss, and theft. The equipment must not be left unattended in any public place. Damage, loss, or theft must be immediately reported to the appropriate IT source.
* All PCs and notebook computers used for business purposes must be protected with hard drive encryption that requires a password before booting.
* All PCs and notebook computers shall be inventoried as they are purchased and destroyed, and the inventory must be verified at least annually.

Software

* Software must not be copied, removed, or transferred to any third party or non-organizational equipment such as home PCs without authorization from the appropriate manager.
* Only software that has been authorized may be used on PC’s and notebook computers connected to [Abbreviation of Firm]’s network.
* Downloading of any executable files (.exe) or software from the internet is forbidden without authorization from the appropriate manager.
* [Abbreviation of Firm] reserves the right to remove any files or data from IT systems including any information it views as offensive or illegal.
* All software platforms and applications utilized by the Firm shall be inventoried as they are implemented. An annual verification of the inventory shall be conducted to ensure the Firm has an updated list of current software in use.

Confidentiality

* Confidential data held on computer media (e.g., cd/DVD) must be stored securely when not in use. Files must be password-protected.
* PCs and notebooks for disposal must have the hard disk ‘wiped clean’ and physically destroyed by a Firm-approved vendor before disposal.

## INTERNET AND EMAIL

Internet

* All staff has a responsibility to use the Internet in a professional, ethical, and lawful manner. Users must regard Internet access as a privilege which can be revoked.
* Users should exercise caution when making payments over the Internet, as the security of credit card details cannot be guaranteed. [Abbreviation of Firm] will accept no liability for losses arising through the transmission of personal or financial information (e.g., credit card numbers) over the internet.
* Users must not use the same passwords for login to Internet websites as they do internally for [Abbreviation of Firm].

Email

* If any person receives email which they deem to be inappropriate, offensive, or illegal, they must inform their appropriate manager. Immediate reporting of incidents facilitates more successful identification of the source and other details.
* All emails that are sent externally must carry a standard [Abbreviation of Firm] signature with disclosure. Users must not attach their own disclaimers to emails.
* [Abbreviation of Firm] reserves the right to review, audit, intercept, access and disclose all access to the Internet. This includes emails sent and received in addition to websites visited and files downloaded from the internet.
* Email that is known to contain sensitive data must be sent using a Firm-approved encryption tool. Any questions about the use of the encryption tool shall be directed to the technical designee appointed by the Firm.

## REMOVABLE AND MOBILE MEDIA

[Abbreviation of Firm] staff is prohibited from storing sensitive client data on removable media unless pre-approved by management for a specific purpose. In this case, the files on the removable media must be password protected.

The email address populated into the mobile device to receive business email must be a Firm-approved email address and must have a signature with the appropriate Firm disclosure.

Employees are responsible for the security of all mobile devices. The device must be set up with password protection and a time-out feature that shuts down the device no more than 30 minutes from last use.

Both Encryption Software AND Anti-Virus Scanning Software are required for the mobile device. The exception to this requirement is for Apple iOS 6 or later products, which have built-in data protection.

The loss or theft of a mobile device used for business purposes must be reported immediately to the appropriate IT resource.

## REMOTE ACCESS

Wireless Access

* The Firm and its IT consultant review all cloud-based software to ensure its security for working remotely via a wireless network. Email accounts are encrypted for both Webmail and desktop software, and client data not kept at the Firm is only stored on the servers of cloud-based software which use SSL and encryption to protect the data and provide a secure connection. At this time, it has been determined by the IT consultant that the Firm does not need to have a requirement for the security of Wireless connections (Wi-Fi Networks) utilized by staff when working remotely.

Prevention of Data Loss

All laptops and other electronic devices that are taken off site will have the following security configured, to prevent data loss in the event of theft:

All computers, whether laptop or desktop, will be protected with hard drive encryption that requires a password to boot

Sensitive documents will be accessed remotely and not downloaded to the laptop or PDA whenever possible.

All laptops are required to have a password protected screensaver.

Remote Device Protection

Anti-virus software configured to automatically download the latest virus signatures will be installed and utilized.

Authentication

* Authentication for remote access will use two-stage authentication. As a minimum, this will comprise two-stage username and password verification.

## BACKUPS OF SENSITIVE DATA

Backup files containing sensitive data shall be secured with either password protection or encryption.

Any and all media used for backups of sensitive data will be securely stored when not in use.

If or when backup media is rendered unusable, tapes or disks will be formatted or otherwise wiped clean and safely discarded.

## THIRD PARTY ACCESS

Third Party Access can be defined as “Access to [Abbreviation of Firm]’s IT resources or data to an individual who is not an employee of [Abbreviation of Firm].”

Such individuals may include:

* Software vendor providing technical support;
* Contractor or consultant;
* Service provider;
* An individual providing outsourced services to [Abbreviation of Firm] requiring access to applications and data.

Third party access will only be permitted to facilities and data which are required to perform specific agreed tasks as identified by [Abbreviation of Firm].

## ENCRYPTION

The requirements for encrypting data for [Abbreviation of Firm] shall be as follows:

Any employee with a Firm issued computer shall be responsible for securing
sensitive data contained thereon with the following methods:

* The user is required to encrypt the entire disk with a full disk utility approved by the Firm
* Passcodes or passphrases for encryption software are subject to all security requirements as those of network passwords and are not to be shared or distributed electronically, verbally, or otherwise with any other individual unless the appropriate IT resource has justified cause to access said data.

## EMPLOYEE OR EQUIPMENT CHANGES

Staff must notify the appropriate IT resource when moving to a new position or location within [Abbreviation of Firm] to ensure required network adjustments are made.

Managers must notify the appropriate IT resource of all staff changes that might affect security. An example of this would be an individual who has access to restricted confidential information and moves to another role where this access is not required.

Requests to access the computer account of a member of staff who is absent from the office must be directed to the appropriate IT resource. The access is given effect by changing the user’s password and allowing the appropriate manager or a colleague to access the account directly. Where this access is granted, it must be used for enquiry purposes only.

In the event of an employee departure from [Abbreviation of Firm] whether termination or voluntary, the following steps must be taken immediately by the appropriate IT resource:

* the employee network account is to be disabled immediately
* the employee’s cloud-based logins must be “frozen” with no login access until the appropriate IT resource is able to deactivate the account
* his or her password must be changed
* the workstation is to be inspected and prepared for re-distribution to ensure that any and all data saved locally is moved to a secure place on the network in order that there is no sensitive personal or Firm data accessible on the local drive.

If an employee is demoted or promoted, the appropriate IT resource should be informed of the change immediately in order that network permission levels can be adjusted as required and appropriate for the new role.

Managers must inform the appropriate IT resource of any employee departure immediately in order that the IT resource can ensure their accounts are adjusted as required for compliance with this policy.

Requests for and acquisition of additional or alternate workstations must be requested, authorized and provided by the appropriate IT resource before use by an employee.

## PAPER RECORDS

Any and all paper records that may contain personal information are required to be secured in a locked cabinet, drawer, or alternate container. Keys, safe codes, or combinations are to be kept securely with the appropriate manager and not distributed verbally or electronically to any other individuals.

Any records that are used for business purposes and may contain personal information related to [Abbreviation of Firm] that are not to be maintained, must be immediately destroyed upon completion of use as required for business purposes. Paper documents should be shredded or otherwise destroyed as opposed to simply being discarded in a trash receptacle.

No paper records of any kind related to [Abbreviation of Firm], its business practices, clients, or affiliates are to be removed from the organization without prior authorization by an appropriate manager and solely for required business use.

## SERVER ROOM CONSIDERATIONS

Computer Room Access

* Access to the server room must be restricted to authorized personnel only.
* Third parties who have been granted access to the server room must be accompanied by authorized personnel or an approved IT resource

Control of Computer Media and Documentation

* Computer media, disks, and documentation must be stored securely, e.g., in locked cabinets, when not in use.
* Magnetic media that is no longer required and which may contain confidential data must be disposed of securely, i.e., all data must be erased, or the media must be rendered inoperable.
* Backups of sensitive, critical, and valuable information that are no longer required must be rendered inoperable or permanently deleted.

##  FRAUDULENT EMAIL REQUESTS AND COMPROMISED CLIENT EMAIL ACCOUNTS

To protect clients against compromised email accounts, no trading, withdrawal, or transfer instructions may be accepted via email. Should an employee receive an email requesting a trade or withdrawal, they must immediately respond to the request letting the client know that we must speak to them by phone, and we will be calling them at the phone number listed in our records to verify the request. Do not use a phone number listed in the email if it is not a phone number we currently have on record for the client.

Some fraud perpetrators are using technology which allows them to broadcast a number of their choosing to caller ID devices. It is important that employees do not accept trade or withdrawal requests from an incoming call without verifying the identity of the client.

It is the Firm’s responsibility to know our clients and protect against possible fraud, even though the verification might be a slight inconvenience to the client. Employees with client contact are the first line of defense. When in doubt, err on the side of caution and request additional verification.

## DATA SECURITY COORDINATOR

[Abbreviation of Firm] shall assign the role of Data Security Coordinator to one employee that shall serve as the primary point of contact for all matters related to this written policy, for initial implementation of the policy, for training employees, to perform regular testing of the plan’s safeguards, and to help facilitate proper handling of procedures in the event of a breach.

The Data Security Coordinator shall maintain documentation in connection with the program including a log of any breach incidents, program revisions, etc.

 [NAME / TITLE] shall serve as Data Security Coordinator for [Abbreviation of Firm].

## TRAINING

All employees will have access to the WISP and shall be directed to read it in its entirety.

Training shall be held on an annual basis by the Data Security Coordinator to offer employees an understanding of requirements and Firm practices associated with data protection and encryption. Further, said training sessions shall include information to update employees on current issues associated with the WISP and any changes to the Firm policy.

All training sessions and any and all updates to the provisions or the Firm’s policy shall be documented.

## RISK ANALYSIS

Periodic security checks will be performed by the designated IT consultant or vendor to ensure compliance with the written information security program. Intentional attempts to access personal or sensitive information on workstations or the network generally will help to ensure that network safeguards for data security are current, effective, and compliant with the requirements.

## ENFORCEMENT

Any employee found to have violated this policy may be subject to disciplinary action, up to and including termination.

## RESPONSE TO SECURITY BREACH

In the event of a suspected or known security breach of personal information, the following steps are required:

An immediate meeting between the Data Security Coordinator, appropriate manager(s), and all involved parties (e.g., employee(s)) shall be held to determine the root cause and consequence of the incident.

The Data Security Coordinator shall contact the affected party immediately to bring the breach to their attention.

Depending on the nature of the breach, any and all efforts should be made to recover from the breach (i.e., retrieve sensitive documents from inappropriate recipient, etc.).

If applicable, any new safeguards required for prevention of such a breach in the future will be put in place as soon as possible.

The Data Security Coordinator will document the incident and keep it on record in the WISP log.

If disciplinary action is required, the appropriate manager shall take action as deemed appropriate, up to and including termination.

**Virtual Client meetings**

The COVID-19 pandemic has resulted in a dramatic increase in the use of web-based video and audio conferencing (“WC”) services by firms as most, if not all, employees are working from home.

Chat features offered by some WC providers also present compliance issues for managers, specifically challenges in meeting their books and records obligations under Rule 204-2 of the Investment Advisers Act (“Books and Records Rule”) or under their internal document preservation and other compliance policies.

**WC Services Technology**

Generally speaking, WC services use software and hardware to permit remote users to connect and exchange live video, audio and written content, through laptops, desktops, smart phones and similar computerized devices. WC service providers, such as Zoom, LoopUp, Cisco WebEx, GoToMeeting, Slack and Skype, provide users with the software and hardware that enables such communications. WC software offers users various features, which vary across service providers, but typically include access controls (used by a host to manage participant access to a meeting), meeting recording, screen sharing and live chat among the users.

**Books and Records Retention Considerations**

Some WC services offer chat features that allow some or all participants to send chat messages. Firms should ensure that they are considering the implications of this technology in light of their obligations under the Books and Records Rule and their compliance policies. Firm will advise personnel not to use the chat feature on any WC service that the Firm does not have the ability to capture, or require any participant who uses a chat feature to download a copy of the chat and send via firm email.

**Best Practices for WC Platforms**

Irrespective of the platform utilized, Firms should evaluate their use of WC services and adopt reasonable measures to protect the security and privacy of WC communications. Below is a list of best practices, compiled based on guidance from the FBI and IT experts, that can serve as points of reference:

1. **Run the Latest Version of WC Software.** WC service providers periodically release new versions of, and updates to, WC software that are intended to address security vulnerabilities, fix known bugs or provide new features or functions (some of which may be useful in improving the security of the WC services). Updating to the latest version of software is critical to keeping in step with bad actors as they find new ways to hack or disrupt WC services.

2. **Configure the WC Software with Robust Security Controls.** Although specific features vary by service provider, WC software generally contains controls that give a meeting host substantial control over an invited participant’s access to and use of the WC services. When setting up an account, consider establishing defaults that enhance the security of meetings and don’t allow the default settings to be changed, such as:

A. *Use Unique Meeting IDs.* A meeting ID is one piece of information that is used to gain access to a particular meeting. In some WC configurations, meeting IDs are associated with specific users rather than with specific meetings (so all meetings initiated by a user have the same meeting ID). To prevent unauthorized access by persons who received the meeting ID for a prior meeting held by the same host, configure the WC software to generate a unique meeting ID every time a new meeting is created.

B. *Require Passwords.* Some WC services may permit participant access to a meeting without a password. Require strong passwords for meeting access and do not allow passwords to be disabled by individual users.

C. *Use Multifactor Authentication*. If available, use multifactor authentication for the meeting host.

*D. Use Meeting Access Controls.* WC services allow the host to control participants’ access to a WC meeting. Wherever feasible, hosts should leverage these controls to enhance meeting security as follows:

i. **Waiting Rooms.** Waiting rooms allow a host to virtually assemble participants before starting a meeting. Using this feature allows the host the opportunity to validate that only invited participants have joined the meeting before any information is shared.

ii. **Meeting Locks**. Meeting locks allow the host to restrict a participant’s access to a meeting until the host has started the meeting and to prevent any new participants from joining a meeting after a meeting has started.

iii. **Other Tools.** Some WC services allow a host to mute specific participants or remove them altogether from a meeting. Hosts should be prepared to use those tools as necessary to protect the integrity of a meeting.

E. *Turn off Screen Sharing*. WC services allow participants to share their screens during a meeting. Consider disabling the screen sharing function for all participants except for the host unless it is required.

F. *Turn off Recording*. If a WC service allows a meeting to be recorded for playback, disable this feature. If a meeting needs to be recorded, to retain for purposes such as training, consider disabling the recording feature for all participants except for the host.[5]

G. *Turn off Chat*. Many WC services permit participants to chat by live text. Disable this feature unless it is necessary for the meeting. If chat is enabled, it should be configured so that only messaging among the host and all participants (versus private messaging between participants) is permitted and the host can save and download the chat at the end for recordkeeping purposes.

3. **Use an Enterprise Solution with Sufficient Security Features**. WC vendors provide both personal (or “consumer”) and enterprise versions of their software. Fund managers should purchase an enterprise solution that supports a sufficient number of participants and provides the necessary functionality, including features designed to enhance security and privacy. Free or lower-cost consumer versions often lack a full set of security controls and embed advertising that increases the risk of a security breach and unauthorized collection of personal information.

4. **Claim and Manage Your Domain**. If a WC service allows, claim your organization’s email address domain (such as @srz.com) when adding users to your WC services account. Users with the specified domain (e.g., your employees) will be prompted to join your WC services account and therefore held to the security and privacy configurations set at an enterprise level.

5. **Educate Personnel.** Send a communication to personnel about potential risks associated with WC services and best practices, including with respect to the controls discussed above. Send updates and reminders to personnel, particularly if the risk may be elevated (e.g., reports of a pervasive hacking scheme).

**Diligence on Vendors**

Firms should conduct and document the findings of cyber diligence on all new WC vendors, as for any other information technology vendors. In February, the SEC’s Office of Compliance Inspections and Examinations (“OCIE”) issued guidance for vendor management that can serve as an outline of topics. However, diligence should not be considered to be a “one time” event; cyber diligence on vendors should be refreshed on a periodic basis, and cyber measures should not be allowed to become overly stale.

**Monitoring Vendor Security and Privacy Issues.**

Security and privacy issues tend to arise with relative frequency and, similarly, are addressed by vendors on an ongoing basis. Since the COVID-19 pandemic hit, many WC vendors have changed or clarified their privacy practices and issued tips for enhanced security. Firms should stay up-to-date on threat communications and responses from WC vendors and ensure that they are implementing the latest security and privacy measures.

# BUSINESS CONTINUITY PLAN (“BCP”)

This policy outlines [Abbreviation of Firm]’s immediate and long-term contingency planning and recovery process. The purpose of this Business Continuity Plan is to provide specific guidelines for [Abbreviation of Firm] to follow in the event of a failure of any critical business capability. Business Continuity relates to [Abbreviation of Firm]’s ability to resume normal business activities following a disaster. Disasters can come from outside sources, such as terrorist activities and weather-related events, or from personal events such as the death or disability of a key person.

[Abbreviation of Firm] has a Business Continuity Plan in place which will be implemented in the event of significant business disruption. Please refer to the BCP document for the specific guidelines in the event of failure of any critical business capability.

# PAY TO PLAY POLICY

## STATEMENT OF POLICY

[Abbreviation of Firm], as a matter of policy and practice, and consistent with industry best practices, Advisers Act, and the SEC requirements (Rule 206 (4) – 5 or “The Rule,” under the Advisers Act), has adopted the following procedures which are designed to prevent violations of the Rule. These procedures cover [Abbreviation of Firm] and all of its Covered Associates, as defined below.

## DEFINITIONS

For the purpose of [Abbreviation of Firm]’s compliance with Rule 206 (4) -5, the following definitions shall apply:

“Contribution” means:

* a gift, subscription, loan, advance, deposit of money, or anything of value made for the purpose of influencing an election for a federal, state, or local office, including any payments for debts incurred in such an election. It also includes transition or inaugural expenses incurred by a successful candidate for state or local office.

“Covered Associates” means:

* An adviser’s general partners, managing members, executive officers or other individual with a similar status or function;
* Any employee who solicits a government entity for the investment adviser (even if not primarily engaged in solicitation activities) and any person who supervises, directly or indirectly, such employee;
* A political action committee controlled by the investment adviser or by any of its Covered Associates.

“Covered Investment Pool” means:

* any investment Firm registered under the Investment Firm Act of 1940 that is an investment option of a plan or program of a government entity; or
* any Firm that would be an investment Firm under section 3(a) of the Act but for the exclusion provided from that definition by section 3(c) (1), section3 (c)(7) or section 3(c)(11) of that Act.

“De Minimis” means:

* any aggregate contributions of up to $350, per election, to an elected official or candidate for whom the individual is entitled to vote, and up to $150, per election, to an elected official or candidate for whom the individual is not entitled to vote. De Minimis exceptions are available only for contributions by individual covered associates, not the advisory Firm itself. Under both exceptions, primary and general elections are considered separate elections.

“Entitled to vote for an official” means:

* the covered associate’s principal residence is in the locality in which the official seeks election.

“Government entity” means:

* any U.S. state or political subdivision of a U.S. State, including any agency, authority, or instrumentality of the State or political subdivision, a plan, program, or pool of assets sponsored or established by the State or political subdivision or any agency, authority, or instrumentality thereof; and officers, agents, or employees of the State or political subdivision or any agency, authority, or instrumentality thereof, acting in their official capacity. As such, government entities include all state and local governments, their agencies and instrumentalities, and all public pension plans and other collective government funds, including participant-directed plans such as 403 (b), 457 and 529 plans.

An “official” means:

* an incumbent, candidate, or successful candidate for elective office of a government entity if the office is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser or has the authority to appoint any person who is directly or indirectly responsible for or can influence the outcome of the hiring of an investment adviser.

“Political contribution” means:

* any gift, subscription, loan advance, deposit of money, or anything of value made for the purpose of influencing an election for a federal, state, or local office, including any payments for debts incurred in such an election.

“Solicit” means:

* with respect to investment advisory services, to communicate, directly or indirectly, for the purpose of obtaining or retaining a client for, or referring a client to, an investment adviser.

## REGULATORY REQUIREMENT

In July 2010, the SEC adopted Rule 206(4)-5 which was designed to prevent “pay-to-play” abuses in the industry. The rule applies to any SEC-registered investment adviser, or those investment advisers who are unregistered in reliance on the exemption available under section 203 (b)(3) of the Advisers Act.

Rule 206 (4)-5 makes it unlawful for an adviser or any of its Covered Associates to:

1. Receive compensation for providing advisory services to a government entity for a 2-year period after the adviser or any of its Covered Associates makes a political contribution of more than de Minimis amounts to a public official of a government entity or candidate for such office who is or will be in a position to influence the award of advisory business.
2. Pay third parties to solicit government entities for advisory business unless such third parties are registered broker dealers or registered investment advisers (which subject such solicitors to pay-to-play restrictions themselves under SEC rules or FINRA rules).
3. Solicit or coordinate:
4. contribution to an official of a government entity to which the adviser is seeking to provide advisory services; or
5. payments to a political party of a state locality where the adviser is providing or seeking to provide advisory services to a government entity.
6. Do anything indirectly which, if done directly, would result in a violation of the Rule.

Each of the above prohibitions extends to an investment adviser that manages assets of a government entity through a Covered Investment Pool.

The Rule also contains a look-back provision which attributes to an adviser contribution made by a person within two years (or 6 months if the person will not solicit business for the adviser) of becoming a Covered Associate of the adviser. That is, when an employee becomes a Covered Associate, the adviser must “look back” in time to that employee’s contributions to determine whether the time out applies to the adviser. Therefore, if a contribution greater than de Minimis was made less than two years (or six months) from the time the person becomes a Covered Associate, the rule prohibits the adviser that hires or promotes the contributing Covered Associate from receiving compensation for providing advisory services from the hiring or promotion date until the two-year period has run.

Finally, the Rule provides an exception that provides an adviser with limited ability to ensure the consequences of an inadvertent political contribution to an official for whom the Covered Associate making it is not entitled to vote (i.e., under the Rule, limited to a $150 contribution per election). The exception is available for contributions that, in the aggregate, do not exceed $350 to any one official, per election. The adviser must have discovered the contribution which resulted in the prohibition within four months of the date of such and, within 60 days after learning of the triggering contribution, the contributor must obtain the return of the contribution. However, an adviser is limited to relying on this exception to three such events per 12-month period if it has more than 50 employees who perform advisory functions (as reported on Item 5A of Form ADV Part I), and two such events per 12-month period if it has less than 50 employees who perform advisory functions. In addition, the Rule only permits one such exception for each Covered Associate regardless of timeframe.

Corresponding amendments to Rule 204-2 regarding investment adviser book and record-keeping requirements also require every SEC-registered adviser to maintain (in addition to other 204-2 requirements) the following:

The names, titles and business and residence address of all Covered Associates of the investment adviser;

All government entities to which the investment adviser provides or has provided investment advisory services, or which are or where investors in any Covered Investment Pool to which the investment adviser provides or has provided investment advisory services, as applicable, in the past five years;

All direct or indirect contributions made by the investment adviser or any of its Covered Associates to an official of a government entity, or payments to a political party of a state or political subdivision thereof, or to a political action committee; and

The name of business address of each regulated person to whom the investment adviser provides or agrees to provide, directly or indirectly, payment to solicit a government entity for investment advisory services on its behalf.

An adviser’s records of contributions and payments are required to (1) be listed in chronological order, (2) identifying each contributor and recipient, (3) the amounts and dates of each contribution or payment, and (4) whether such contribution or payment was subject to the exception for certain returned contribution.

## PROCEDURES

In order for [Firm Name] to maintain compliance with the Rule, the following procedures apply:

All employees are required to pre-clear any political contributions with the CCO prior to making such a contribution.

All new employees, within 5 business days of employment, are required to provide the CCO with a list indicating to whom the employee has made any political contributions in the 2 years (either directly or via a political action committee which the employee controls) preceding the date of employment with [Firm Name].

The CCO is responsible for monitoring all political contributions made by employees against a list of any potential clients of [Firm Name] to ensure that [Firm Name] will not be precluded from accepting and/or receiving compensation for the proscribed timeframes from potential clients.

The CCO must be aware of any potential solicitation agreements (i.e., prior to signing of the agreement) with third parties to ensure that such meet Rule registration requirement.

The CCO is responsible for providing adequate training to each employee of [Firm Name] with respect to all Rule requirements.

The CCO is responsible for ensuring that all books and records requirements pursuant to Rule 204-2 with respect to political contributions are met and maintained.

# DOCUMENT DESTRUCTION POLICY

[Abbreviation of Firm] is required to create and retain a number of documents and records (“records”) under various legal, regulatory, and general business obligations. The Advisers Act requires all registered advisers to adhere to extensive recordkeeping requirements. The Firm maintains typical business accounting records along with certain records the SEC believes an adviser should organize in light of the special fiduciary nature of the adviser/client relationship. In addition to creating and maintaining records, it is important for the Firm to destroy records periodically when they are no longer necessary. In some cases, such destruction may be legally or contractually required. The policy below memorializes the Firm’s general policies concerning document destruction (hereinafter referred to as the “Document Destruction Policy”).

## ADMINISTRATION & SUPERVISION OF RECORDS RETENTION AND DESTRUCTION

[Abbreviation of Firm]’s CCO is the Officer in charge of the administration of this Document Destruction Policy and the implementation of processes and procedures to ensure that records are maintained for the appropriate period of time and the appropriate process and procedures are followed for the destruction of records.

The CCO is also authorized to:

Make modifications to record retention policies from time to time to ensure compliance with local, state, and federal laws for the Firm;

Monitor local, state, and federal laws regarding record retention;

Document and supervise the destruction of all records; and

Monitor compliance with this Document Destruction Policy.

## SUSPENSION OF RECORD DISPOSAL IN EVENT OF LITIGATION OR CLAIMS OR REGULATORY INQUIRY

Certain circumstances will require the destruction of documents in accordance with this Document Destruction Policy be suspended with respect to a particular group or class of documents. In the event the Firm is served with any subpoena or request for documents, or any employee becomes aware of a governmental investigation or audit concerning the Firm or the commencement of any litigation against or concerning the Firm, employees shall inform the CCO, and any further disposal of documents shall be suspended until the CCO, with the advice of legal counsel, determines otherwise. The CCO shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of documents.

Federal law makes it a crime, punishable by imprisonment and monetary fines, for anyone who knowingly alters, destroys, mutilates, conceals, covers up, falsifies, or makes a false entry in, any record or document with the intent of impeding, obstructing, or influencing an investigation or administrative proceeding within the jurisdiction of any department or agency of the United States. The destruction of documents while an investigation or litigation is ongoing or anticipated can also constitute obstruction of justice or lead to monetary sanctions or other penalties. Liability for such conduct depends upon the facts and circumstances but it is best to err on the side of caution and to cease the deletion, destruction, or alteration of any records when an investigation or litigation is anticipated or ongoing.

If an employee is in doubt as to whether a particular record pertains to the subject matter of an investigation, litigation, proceeding or foreseeable claim the employee should not destroy the record unless they receive authorization to do so from the Firm’s CCO.

## POLICY STATEMENT

The Firm’s policy is to effectuate an orderly, efficient, and documented destruction of specified records. Certain records must be maintained for specified periods of time, as required by applicable laws, regulations, or contractual obligations. A duty to maintain the record may also exist if it is reasonably foreseeable that such record may be used as evidence in a trial. During these periods of time, the Firm has a legal obligation to preserve the property.

The Firm’s documents are managed in accordance with separate records retention policies and documents will be destroyed only in accordance with a formal Document Destruction Memorandum (See Formal Document Destruction Memorandum Section Below). All document destruction memorandums will be maintained as “Exhibits” separate from this Document Destruction Policy as part of the Firm’s books and records.

## PURPOSE OF POLICY

The Firm promulgates this Document Destruction Policy because the Firm is committed to the effective management of its records in accordance with legal and contractual requirements, the optimal use of its space and resources and the elimination and destruction of outdated and unnecessary records. Consistent with those commitments, the purpose of this Document Destruction Policy is to mandate appropriate policies or memorandum of documents to destroy, and inform all necessary personnel of, the Firm’s document destruction policies and procedures. No policy can, however, adequately cover every document management issue or situation. It is possible that you may encounter documents which appear not to be covered by any stated policy. Any questions concerning document creation, retention or destruction that is not answered in this document should be referred to the Firm’s CCO. The Firm’s record retention and destruction policies are always subject to review, update, and change.

## PROCEDURE FOR DESTRUCTION OF RECORDS

* Formal Document Destruction Memorandum

The Firm’s CCO will create a formal Document Destruction Memorandum (i.e., policy addendums) prior to the destruction of any records detailing the applicable record(s) that will be destroyed and the timeline when those records will be destroyed. Upon completion of the Document Destruction Memorandum, the CCO, the Firm’s Managing Member and any other Firm Officers, as applicable, will formally sign-off on the Document Destruction Memorandum.

Upon finalization and sign-off on the Document Destruction Memorandum, the Firm will proceed with the destruction of any applicable “hard” copies and electronic copies of the records according to the procedures below. The CCO will follow the ongoing destruction of the applicable record(s) in accordance with the timeline spelled out in the Document Destruction Memorandum. All Document Destruction Memorandums will be maintained as “Exhibits” to this Document Destruction Policy and are archived separately as part of the Firm’s books and records.

* Destruction of “Hard” Copies

Destruction of applicable “hard” copies (i.e., documents not maintained in electronic form) may be accomplished through the use of a Firm-owned shredder or the use of a reputable commercial record destruction service with appropriate document destruction certification. Documents must be shredded rather than placed in a rubbish bin. A record is not considered “destroyed” until it is actually physically destroyed.

* Retirement and Destruction of Computer Hardware

Computer hardware and devices being replaced or retired as a Firm asset will be reviewed by The Firm’s IT Consultant (“IT”) for any further practical deployment. Computers, including, but not limited to, CPUs and laptops, designated for donation or recycling, and containing Firm information on Hard Disk Drives, will first have such Hard Disk Drives removed from the computers and physically destroyed in a manner not permitting the drives to ever be powered on, or data platters within from having stored data accessed. In the event a hard drive is not able to be removed from a device, steps must be taken to permanently “erase,” "reset” or destroy the information contained on the device so that its data may not be accessed. This policy shall apply to all devices capable of storing information, including but not limited to, External USB Hard Drives, solid state “Flash Drives” or “Thumb Drives,” tablets such as iPads and smart telephones such as iPhones or those similar. Computers and devices now without internal Hard Disk Drives, or having been appropriately erased or reset, can be recycled, or donated at The Firm’s discretion. All destruction of computer hardware will be supervised by the CCO. The CCO will document such destruction with a Data Destruction Memorandum.

# CHARITABLE GIVING POLICY

The following sets forth policies and procedures to be followed by the Firm with respect to the charitable giving by its Supervised Persons and Firm. All Supervised Persons of the Firm are subject to this policy.

## GENERAL POLICY

Associated Persons may make charitable contributions, on their own behalf, as an individual, but may not use or associate the Firm’s name with such contributions or payments.

Officers and Directors of the Firm may request to make charitable contributions on behalf of the Firm. All charitable contribution requests to be made on behalf of the Firm must be pre-approved by the CCO.

To avoid potential conflicts of interest, the Firm has established the following guidelines for handling such requests.

Charitable contributions must be pre-approved by the CCO if:

Solicited or directed by Advisory Clients or prospective clients;

Made on behalf of Advisory Clients or prospective clients;

Made on behalf of the Firm.

Associated Persons should notify the CCO about any actual or apparent conflict of interest in connection with any charitable contribution, or about any contribution, that could give an appearance of impropriety. Any questions as to the appropriateness of charitable contributions should be discussed with the CCO or Managing Partner/Owner of the Firm.

Apparent Conflict may include, but not limited to:

Made for the purpose of influencing the award or continuation of a business relationship with such Advisory Client or prospective client.

Donations by employees to charities with the intention of influencing such charities to become clients are strictly prohibited.

Contributions cannot be based on the actual or anticipated level of business done by the client.

The Charitable Review Checklist that follows shall be used for charitable contributions requiring pre-approval by the CCO.

|  |
| --- |
| CHARITABLE CONTRIBUTION CHECKLIST |
|  Name of IAR: | Name of Firm: |
| Proposed Charity: | Proposed Contribution: |
| Code of Ethics | YES | NO |
| Is the gift viewed as overly generous? |  |  |
| Is the gift aimed at influencing the decision making of a client? |  |  |
| Would the gift make the client feel beholden to the Firm or Code Person? |  |  |
| Form ADV | YES | NO |
| Does the Form ADV Part 2A make specific disclosures with respect to charitable giving? |  |  |
| Does the Part 2A prohibit charitable giving? |  |  |
| ERISA | YES | NO |
| Does the charitable organization have any involvement with pension plans or governmental entities? |  |  |
| FEES | YES | NO |
| If the charitable giving is related to a client, are the fees charged by Adviser fair and reasonable for the services provided? |  |  |
| CHARITY | YES | NO |
| Is the charity bona fide? |  |  |
| Has Adviser given to this charity before? |  |  |
| If so, when, and how much? |  |  |
| BUDGET | YES | NO |
| Is the requested contribution in line with other contributions made by Adviser? |  |  |
| Is the requested contribution a large percentage of the Firm’s budget for charitable giving? |  |  |

NOTE: If you have answered YES to any of the above, please contact your CCO for additional required reporting.

|  |
| --- |
| Acknowledgement: By signing below, I acknowledge that the information I have reported herein is true and correct to the best of my knowledge and belief. If any information changes, I will notify the Chief Compliance Officer, as soon as possible. |
| Investment Advisor Representative Signature: | Date: |
| CCO Signature & Review Confirmation: | Contribution Granted [ ]  | Contribution Granted [ ]  |

# OVERSIGHT OF SERVICE PROVIDERS

[Abbreviation of Firm] may contract with outside vendors to perform certain functions for the Firm. While [Abbreviation of Firm] may never contract its supervisory and compliance activities away from its direct control, it may outsource certain activities that support the performance of its supervisory and compliance responsibilities. Such activities may include custodians, broker/dealers, sub-advisers, email retention providers, accounting/finance (payroll, expense account reporting), legal and compliance, information technology, operations functions (statement production, disaster recovery services), and administration functions (human resources, internal audits).

The CCO or designee will oversee [Abbreviation of Firm]’s service providers that impact the operations or that could pose a risk to the Firm’s operations or its clients (“service provider”). The CCO should be familiar with each service provider's operations and understand those aspects of their operations that expose the Firm to compliance risks. The Firm will follow the policies and procedures established by the service provider after the Firm confirms they are in line with their operations.

[Abbreviation of Firm] will evaluate the service provider’s ability to fulfill those needs. Each service provider agreement should clearly outline the scope of the provider’s responsibilities. The service provider’s written agreement will be maintained by the CCO and in accordance with the Firm’s document retention policy. Agreements will properly reflect protection of any confidential information, including, but not limited to, that of the Firm, as well as nonpublic client information. Agreements must be maintained, must be current, and must be available for review by regulators, when requested. If the Agreement does not contain a confidentiality agreement, the Firm must obtain a separate agreement to be maintained in the file with the vendor contract and in accordance with the Firm’s document retention policy.

When evaluating a service provider for the first time, the CCO will review and consider the following information, as applicable:

The service provider’s history and reputation in the industry, including the experiences of similar entities serviced by this provider and the provider’s history of client retention;

The service provider’s financial condition and ability to devote resources to the Firm;

Recent corporate transactions (such as mergers and acquisitions) that involve the service provider;

The level of service that will be provided to the adviser;

The nature and quality of the services to be provided;

The extent to which, if at all, the service provider adopts and abides by Global Investment Performance Standards (“GIPS”).

The experience and quality of the staff providing services and the stability of the workforce;

The service provider’s operational resiliency, including its disaster recovery and business continuity plans;

The technology and process it uses to maintain information security, including the privacy of client data and its cybersecurity policies and procedures;

The service provider’s communications technology;

The service provider’s literature and advertising;

The service provider’s insurance coverage;

The reasonableness of fees in relation to the nature of the services to be provided.

Where potential conflicts of interest exist, the CCO must evaluate the extent to which such potential conflicts are mitigated.

The CCO shall be responsible for monitoring all service providers to ensure compliance with the terms and conditions of the agreement. Periodically and in order to determine this compliance with the terms and conditions of the agreement, a review, assessment, and re-evaluation of the following will be completed:

The service provider’s financial condition and ability to devote resources to the Firm;

Recent corporate transactions (such as mergers and acquisitions) that involve the service provider;

The level of service provided to the Adviser;

The service provider’s performance on behalf of the Firm to date;

The extent to which the service provider abides by GIPS.

The reasonableness of fees in relation to the nature of the services to be provided;

The potential for conflicts of interest that could unfairly benefit the Firm or others to the detriment of Clients;

The experience and quality of the staff providing services and the stability of the workforce;

The service provider’s operational resiliency, including its disaster recovery and business continuity plans;

The technology and process it uses to maintain information security, including the privacy of client data as well as its cybersecurity processes;

The service provider’s communications technology;

Where potential conflicts of interest exist, the CCO must evaluate the extent to which such potential conflicts are mitigated.

In evaluating service provider arrangements, [Abbreviation of Firm] and the CCO should be alert for any arrangements that could unfairly benefit the adviser or others to the detriment of [Abbreviation of Firm] or its Clients. When evaluating an arrangement with an affiliated service provider that in turn subcontracts to an unaffiliated service provider, the Firm and CCO shall inquire about the respective roles of the two entities and whether management or the affiliated service provider receives any benefit, directly or indirectly, other than the fees payable under the contract. The CCO must evaluate the fees paid to the affiliated service provider and any unaffiliated service provider, relative to the services each will perform.

Conflicts of interest also may arise in arrangements with unaffiliated service providers. The Firm shall also inquire about other business relationships between affiliates of the adviser and the service provider or any of the service provider’s affiliates.

DEFINITIONS

## ACCESS PERSON

An Access Person is an Employee who has access to non-public information regarding trading who is involved in making Securities recommendations to Clients, or who has access to non-public Securities recommendations. All persons performing advisory functions on behalf of the Firm and those who have access to client transactions or recommendations are considered Access Persons.

## ACCREDITED INVESTOR

1. Any natural person who had individual income in excess of $200,000 in each of the two most recent years or joint income with that person’s spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; spousal equivalents may pool their finances for the purpose of qualifying as accredited investors.
2. Any natural person whose individual net worth, or joint net worth with that person’s spouse, exceeds $1 million (excluding the value of primary residence); and
3. Directors, executive officers, and general partners of the issuer or of the general partner of the issuer.
4. With respect to investments in a private fund, natural persons who are “knowledgeable employees” of the fund;
5. Natural persons with certain professional certifications, designations or credentials or other credentials issued by an accredited educational institution; holders in good standing of the Series 7, Series 65, and Series 82 licenses as qualifying natural persons.
6. Limited liability companies with $5 million in assets may be accredited investors and add SEC- and state-registered investment advisers, exempt reporting advisers, and rural business investment companies (RBICs) to the list of entities that may qualify;
7. Any entity, including Indian tribes, governmental bodies, funds, and entities organized under the laws of foreign countries, that own “investments,” as defined in Rule 2a51-1(b) under the Investment Company Act, in excess of $5 million and that was not formed for the specific purpose of investing in the securities offered;
8. “Family offices” with at least $5 million in assets under management and their “family clients,” as each term is defined under the Investment Advisers Act

## ADVISERS ACT

The Investment Advisers Act of 1940.

## AFFILIATE ACCOUNT

Means, as to any Access Person, an Account:

1. Of any Family Member of the Access Person;
2. For which the Access Person acts as a custodian, trustee, or other fiduciary;
3. Of any corporation, partnership, joint venture, trust, company, or other entity which is neither subject to the reporting requirements of section 13 or 15(d) of the 1934 Act nor registered under the Investment Company Act of 1940 (the “Company Act”) and in which the Access Person or a Family Member has a direct or indirect Beneficial Ownership; and
4. Of any Access Person of the Firm.

## CLIENT

The person or entity to whom Firm provides investment advisory services.

## EMPLOYEE

Firm’s officers, directors, partners, members, employees, or any other person who provides investment advice on the Company’s behalf and is subject to the Company’s supervision or control. SEC definition includes independent contractors.

## “FAMILY MEMBER” OF AN ACCESS PERSON

1. That person’s spouse or minor child who resides in the same household;
2. Any adult related by blood, marriage, or adoption to the Access Person (a “relative”) who shares the Access Person’s household;
3. Any relative dependent on the Access Person for financial support; and
4. Any other relationship (whether or not recognized by law) which the Chief Compliance Officer determines could lead to the possible conflicts of interest or appearances of impropriety this Code of Ethics is intended to prevent.

## FEDERAL SECURITIES LAWS

The Federal Securities Laws include the Securities Act, the Exchange Act, the Sarbanes-Oxley Act of 2002, the IC Act, the Advisers Act, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the SEC under any of these statutes, the Bank Secrecy Act as it applies to investment companies and investment advisers, and any rules adopted thereunder by the SEC or the Department of the Treasury.

## FRONT-RUNNING

An advisor, employee, or related account order being placed before client orders. This includes orders in securities that are derivatives (e.g., options, warrants) of the security being purchased or sold by the client.

## HIGH NET WORTH INDIVIDUAL

## HIGH NET WORTH INDIVIDUAL

~~A natural person with $750,000 in investable assets or $1.5 million in net worth.~~

A natural person with $1,000,000 in investable assets or $2.0 million in net worth.

## HOUSEHOLD

Combining account(s) or asset(s) of “family members” for the purposes of mailing or calculating assets under management. “Family Member” is defined as a person’s spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and anyone (other than domestic employees) who shares the person’s home.

## MATERIAL NON-PUBLIC INFORMATION

Information that (i) has not been made generally available to the public, and that (ii) a reasonable investor would likely consider important in making an investment decision.

## QUALIFIED CLIENT or QUALIFIED PURCHASER

1. A natural person who, or a company that, immediately after entering into the contract has at least $1,000,000 under the management of the investment adviser;
2. A natural person who, or a company that, the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:
	1. Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than $2,000,000. For purposes of calculating a natural person's net worth:
		1. The person's primary residence must not be included as an asset;
		2. Indebtedness secured by the person's primary residence, up to the estimated fair market value of the primary residence at the time the investment advisory contract is entered into may not be included as a liability (except that if the [amount](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=b527a1155426d08294578009601bb7cc&term_occur=999&term_src=Title:17:Chapter:II:Part:275:275.205-3) of such indebtedness outstanding at the time of calculation exceeds the [amount](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=b527a1155426d08294578009601bb7cc&term_occur=999&term_src=Title:17:Chapter:II:Part:275:275.205-3) outstanding 60 days before such time, other than as a result of the acquisition of the primary residence, the [amount](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=b527a1155426d08294578009601bb7cc&term_occur=999&term_src=Title:17:Chapter:II:Part:275:275.205-3) of such excess must be included as a liability); and
		3. Indebtedness that is secured by the person's primary residence in excess of the estimated fair market value of the residence must be included as a liability; or
3. Is a qualified purchaser as defined in section 2(a)(51)(A) of the [Investment Company Act of 1940](https://www.law.cornell.edu/topn/investment_company_act_of_1940) ([15 U.S.C. 80a-2(a)(51)(A)](https://www.law.cornell.edu/uscode/text/15/80a-2#a_51_A)) at the time the contract is entered into; or
4. A natural person who immediately prior to entering into the contract is:
	1. An [executive officer](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=cd2108a59ad74af76bf5e9ad17216319&term_occur=999&term_src=Title:17:Chapter:II:Part:275:275.205-3), director, trustee, general partner, or person serving in a similar capacity, of the investment adviser; or
	2. An [employee](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=9c4c70a8673e1558c0f949913e9c9aed&term_occur=999&term_src=Title:17:Chapter:II:Part:275:275.205-3) of the investment adviser (other than an [employee](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=9c4c70a8673e1558c0f949913e9c9aed&term_occur=999&term_src=Title:17:Chapter:II:Part:275:275.205-3) performing solely clerical, secretarial or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such [employee](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=9c4c70a8673e1558c0f949913e9c9aed&term_occur=999&term_src=Title:17:Chapter:II:Part:275:275.205-3) has been performing such functions and duties for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

## QUALIFIED CUSTODIAN

Financial institutions that clients and advisers customarily turn to for custodial services. These include banks and savings associations and registered broker-dealers.

## QUALIFIED INSTITUTIONAL BUYER

1. A company that manages a minimum investment of $100 million in securities on a discretionary basis or is a registered broker-dealer with at least a $10 million investment in non-affiliated securities. The range of entities deemed qualified institutional buyers (QIB's) include savings and loans associations (which must have a net worth of $25 million), banks, investment and insurance companies, employee benefit plans and entities completely owned by accredited investors.
2. Limited Liability companies and RBICs if they meet the $100 million in securities owned and invested threshold in the definition.

## REGULATORY ASSETS UNDER MANAGEMENT

The SEC staff defines AUM for the purposes of Item 5.F on the Form ADV Part 1 as *securities portfolios for which you provide continuous and regular supervisory or management services*. The SEC staff further expands on what constitutes a *securities portfolio* as well as *regular supervisory or management services.*

The SEC's definition of *securities portfolios*:

* Cash and cash equivalents are considered securities.
* At least 50% of the total value of the account must consist of securities for the account to be considered a *securities portfolio*.
* Family accounts, accounts for which you receive no compensation, accounts for non-US persons, and all assets within in a private fund, including any uncalled mandatory commitments, must all be counted as securities.

The SEC's definition of *continuous and regular supervisory or management services*:

* Firm has discretion over an account, and your advisory firm provides ongoing supervisory or management services with respect to the account, (or)
* Firm does not have discretion over an account, but you have an ongoing duty to select or make recommendations based upon the needs of your client and **if the client accepts your investment recommendation, you are responsible for arranging or effecting the purchase or sale.**

## REPORTABLE SECURITY

A Security as defined in the Code of Ethics, but does not include:

1. Direct obligations of the Government of the United States;
2. Money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements;
3. Shares issued by money market funds;
4. Shares issued by other mutual funds; and
5. Shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

## RESTRICTED SECURITY

Any Security on the Firm’s Restricted Security List. In general, this list will include securities of public companies which are clients of the Firm, or whose senior management are clients of the Firm.

## RETAIL CLIENT

Retail client is defined as a “natural person, or the legal representative of such natural person, who: (i) receives a recommendation of any securities transaction or investment strategy involving securities from a broker, dealer, or a natural person who is an associated person of a broker or dealer; and (ii) uses the recommendation primarily for personal, family, or household purposes.” We note that the definition of “retail client” does not exclude high-net worth natural persons and natural persons that are accredited investors.

## SECURITY

The SEC defines the term “Security” broadly to include stocks, bonds, certificates of deposit, options, interests in Private Placements, futures contracts on other Securities, participations in profit-sharing agreements, and interests in oil, gas, or other mineral royalties or leases, among other things. “Security” is also defined to include any instrument commonly known as a Security.

# APPENDIX A - ACKNOWLEDGEMENT OF RECEIPT AND ACCEPTANCE

* **Initial**
* **Annual**

By signing below, I certify that I have received, read, understand, have abided by, and will continue to abide by **[Abbreviation of Firm]’s Compliance Manual**, which includes [Abbreviation of Firm]’s Code of Ethics. I understand that any questions about [Abbreviation of Firm]’s Manual (including the Code) should be directed to the CCO.

Print Name:

Signature:

Date:

# APPENDIX B – CODE OF ETHICS

## GENERAL PRINCIPLES

This Code of Ethics has been adopted by [Firm Name] (“the Firm” or “[Abbreviation of Firm]”) and is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”). It will set forth the standards of conduct expected of [Abbreviation of Firm] (“[Abbreviation of Firm]”) personnel and will address, among other things, personal trading by personnel, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The ethical culture of the Firm is of critical importance and must be supported at the highest levels of our Firm. This Code of Ethics is designed to:

Protect the Firm’s clients by deterring misconduct by personnel;

Educate personnel regarding the Firm’s expectations and the laws governing their conduct;

Remind personnel that they are in a position of trust and must act with complete propriety at all times;

Protect the reputation of the Firm;

Prevent unauthorized trading in client or personnel accounts;

Guard against violation of the securities laws; and,

Establish procedures for personnel to follow so that the Firm may determine whether its personnel are complying with the Firm’s ethical principles.

[Abbreviation of Firm] and its employees are subject to the following specific fiduciary obligations when dealing with clients:

The duty to have a reasonable, independent basis for the investment advice provided;

The duty to ensure that investment advice meets the client’s individual objectives, needs and circumstances; and

A duty to be loyal to clients.

## SCOPE OF THE CODE

Honesty, integrity, and professionalism are hallmarks of the Firm. The Firm maintains the highest standards of ethics and conduct in all of its business relationships. This Code of Ethics covers a wide range of business practices and procedures and applies to all personnel when conducting the business and affairs of the Firm.

The activities of any officer, director or other personnel of the Firm will be governed by the following general principles: (1) honest and ethical conduct will be maintained in all personal securities transactions and such conduct will be in a manner that is consistent with the Code of Ethics, thus avoiding or appropriately addressing any actual or potential conflict of interest or any abuse of a personnel’s position of trust and responsibility, (2) personnel shall not take inappropriate advantage of their positions with the Firm, (3) personnel shall have a responsibility to maintain the confidentiality of the information concerning the identity of securities holdings and financial circumstances of all clients, and (4) working with each client to tailor the recommendations and advice based on the client objective and risk tolerance levels.

Failure to comply with this Code of Ethics may result in disciplinary action, including the termination of employment by the Firm.

##  PERSONS COVERED BY THE CODE

All access and supervised persons are subject to the Firm’s Code of Ethics

If you are a “supervised person”[[1]](#footnote-2) or “access person”[[2]](#footnote-3) as defined in Rule 204A-1 or have been designated by the Chief Compliance Officer (“CCO”), you are required to comply with the Firm’s Code of Ethics. Any questions as to whether an individual is required to comply with the Firm’s Code of Ethics should be directed to the CCO.

All individuals listed above, any other individuals who are “supervised persons” or “access persons,” and any individuals designated by the CCO required to comply with the Firm’s Code of Ethics are collectively referred to as “Code Persons.”

##  SECURITIES COVERED BY THE CODE

“Reportable Security” typically means any stock, bond, future, investment contract or any other instrument that is considered a “security” under the Advisers Act. The term “Reportable Security” is very broad and includes items you might not ordinarily think of as “securities,” including, but not limited to:

Options on securities, indexes, and currencies;

Limited partnership interests;

Foreign unit trusts and foreign mutual funds; and

Private investment funds, hedge funds and investment clubs.

Exceptions from the term “Reportable Security” as expressly excluded from the reporting requirements of Rule 204A-1 include:

Direct obligations of the U.S. government;

Banker’s acceptances, bank certificates of deposit, commercial paper and high-quality short-term debt obligations, including repurchase agreements;

Shares issued by money market funds;

Shares of open-end mutual funds that are registered under the Investment Company Act (mutual funds), and;

Shares issues by unit investment trusts that are invested exclusively in one or more open-end funds, none of which are funds advised or sub-advised by the Firm.

## STANDARDS OF BUSINESS CONDUCT

Pursuant to Rule 204A-1, the Firm is required to establish a standard of business conduct for its Code Persons. This section sets forth those standards.

## COMPLIANCE WITH LAWS AND REGULATIONS

All Code Persons must comply with applicable federal and state securities laws. Code Persons are not permitted, in connection with the purchase or sale, directly or indirectly, of a security held or to be acquired by a client:

To defraud such client in any manner;

To mislead such client, including making a statement that omits material facts;

To engage in any act, practice or course of conduct which operates or would operate as fraud or deceit upon such client;

To engage in any manipulative practice with respect to such client; or

To engage in any manipulative practice with respect to securities, including price manipulation.

## CONFLICTS OF INTEREST

As a fiduciary, the Firm and all Code Persons have an affirmative duty of care, loyalty, honesty, and good faith to act in the best interests of its clients. With this duty, the Firm and its Code Persons can achieve this obligation by trying to avoid conflicts of interest and by fully disclosing all material facts concerning any conflict that does arise with respect to any client. A “conflict of interest” may occur when a Code Person’s private interests may be inconsistent with the interests of the Firm’s clients and/or his or her service to the Firm. Additionally, Code Persons must try to avoid situations that have even the appearance of conflict or impropriety.

* Conflicts Among Client Interests

Conflicts of interest may arise where the Firm or its Code Persons have reason to favor the interests of one client over another client (e.g., larger accounts over smaller accounts, accounts compensated by performance fees over accounts not so compensated, accounts in which employees have made material personal investments, accounts of close friends or relatives of Code Persons). The Firm prohibits inappropriate favoritism of one client over another client that would constitute a breach of fiduciary duty.

* Competing with Client Trades

The Firm prohibits Code Persons from using knowledge about pending or currently considered securities transactions for clients to profit personally, directly, or indirectly, as a result of such transactions, including purchasing or selling such securities.

## INSIDER TRADING

Code Persons are prohibited from trading, either personally or on behalf of others, while in possession of material, nonpublic information. Additionally, the Firm’s Code Persons are prohibited from communicating material nonpublic information to others in violation of the law. The Firm has insider trading policies and procedures that can be found in the Firm’s Compliance Policy and Procedures Manual. A brief discussion is included in this Code of Ethics.

* Penalties

Should a Code Person violate the Firm’s insider trading policies and procedures, potential penalties may include, but are not limited to, civil injunctions, permanent bars from employment in the securities industry, civil penalties up to three times the profits made, or losses avoided, criminal fines, and jail sentences.

* Material Nonpublic Information

The SEC’s position is that the term “material nonpublic information” relates not only to issuers, but also to the Firm’s securities recommendations and client securities holdings and transactions.

## PERSONAL SECURITIES TRANSACTIONS

The Firm requires all Code Persons to strictly comply with the Firm’s policies and procedures regarding personal securities transactions outside of the Firm. The following procedures are designed to assist the Firm in detecting and preventing abusive sales practices.

POLICY

It is the express policy of [Abbreviation of Firm] that no person employed by [Abbreviation of Firm] may purchase or sell any security prior to a transaction(s) being implemented for an advisory account during the same day unless such transactions are at a price equal to or inferior to the price obtained by advisory clients, and therefore, preventing such Code Person from benefiting from transactions placed on behalf of advisory accounts. This includes orders in securities that are derivatives (e.g., options, warrants) of the security being purchased or sold by the client. [Abbreviation of Firm] may utilize batched orders to carry out this policy. [Abbreviation of Firm] will monitor trades through monthly Trade Blotter reviews to ensure front running is not occurring.

When reviewing these items, consider the following:

* ~~If an advisor decides to buy or sell a security in their own personal or a related account, they must first determine if they would recommend to any of their clients that they should purchase or sell the same security. If the answer is yes, the advisor should contact their clients first prior to transacting in their own account.~~
* If an advisor decides to buy or sell a security in their own personal or a related account, they must first determine if they would recommend the same security to any of their clients.
* If the advisor contacted a client with a recommendation, did the advisor allow the client a reasonable time to respond should allow the client a reasonable amount of time to respond?
* Whether there were extenuating circumstances (e.g., personal emergency or severe rapid market movements) that warranted execution of the advisor’s personal trade prior to waiting for a reasonable period of time for the client to respond.
* If the advisor is an Investment Advisor Representative (IAR) with full discretionary authority, did the advisor consider whether or not any of the accounts over which the advisor has been granted discretion contain the equity they are planning to trade and whether or not it is appropriate to take action in the client’s account?

**PROCEDURE**

If the client's trade is made after the advisor's personal trade, check the price of the security traded. If the advisor received the better price, consider appropriate actions to correct the trades.

* Front Running- Prohibition.

Defined as an advisor, employee, or related account order being placed before client orders. This includes orders in securities that are derivatives (e.g., options, warrants) of the security being purchased or sold by the client.

* Initial Public Offerings – Prohibition.

Code Persons are prohibited from directly or indirectly acquiring beneficial ownership[[3]](#footnote-4) of any security in an initial public offering.

* Limited or Private Offerings – Pre-Clearance.

Code Persons are prohibited from directly or indirectly acquiring beneficial ownership of any security in a limited or private offering, without the specific, advance written approval of the CCO, which the CCO may deny for any reason.

In determining whether to grant permission for such limited or private placement, the CCO shall consider, among other things, whether such offering should be reserved for a client and whether such transaction is being offered to the person because of his or her position with the Firm.

Any person who has received such permission shall be required to disclose such an investment when participating in any subsequent consideration of such security for purchase or sale by client of the Firm, and that the decision to purchase or sell such security shall be made by persons with no personal, direct, or indirect, interest in the security.

If you have any question as to whether a possible investment is an initial public offering or a limited or private placement, please consult with the CCO.

* 24 -hour Blackout Period

No Code Person may purchase or sell any Reportable Security within 24 hours immediately before or after a day on which any client account managed by the Firm purchases or sells that Reportable Security (or any closely related security, such as an option or a related convertible or exchangeable security), *unless the Code Person had no actual knowledge that the reportable security (or any closely related security) was being considered for purchase or sale for any client account.*  If any such transaction occurs, the Firm will normally require any profits from the transaction to be disgorged for donation by the Firm to charity. Note that the total blackout period is two (2) business days (one [1] business days before and one [1] business day after). **Code Persons may trade alongside clients, as long as such transactions are at a price equal to or inferior to the price obtained by clients.**

* Restricted List

The Firm maintains a list of restricted securities. Code Persons are prohibited from purchasing or selling those securities while they are on the restricted list without prior written approval of the CCO unless the Code Person is trading at the same time and price as the Firm’s clients.

* Prohibition on Participation in Investment Clubs

Code Persons are prohibited from participating in or making investments with or through any investment club or similar association or entity except with the specific, advance written approval of the **CCO**, which the CCO may deny for any reason. If you have any doubt or uncertainty as to whether a particular association or entity is an Investment Club, you should ask the CCO before you become in any way involved with the association or entity.

Code Persons are prohibited from directly or indirectly advising or causing any immediate family member (i.e., any relative by blood or marriage living in the Code Person’s household) to engage in conduct the Code Person is prohibited from engaging in under the Firm’s Code of Ethics.

It sometimes happens that a Code Person (e.g., one who is responsible for making investment recommendations or final investment decisions for client accounts -- an IAR or research analyst) determines--within 48 hours immediately before or after he or she has purchased or sold for his or her own account a Reportable Security that was not, to the Code Person’s knowledge, then under consideration for purchase by any client account--that it would be desirable for client accounts as to which the Code Person is responsible for making investment decisions to purchase or sell the same Reportable Security (or a closely related security). In this situation, the Code Person MUST put the clients' interests first and promptly make the investment recommendation or decision in the clients' interest, rather than delaying the recommendation or decision for clients until after the 48 hours following the day of the transaction for the Code Person’s own account to avoid a possible conflict with the blackout provisions of this Code.

## GIFTS AND ENTERTAINMENT

Code Persons should not accept gifts, favors, entertainment, special accommodations or other things of material value that could influence their decision-making or make them feel obligated to do business with a person or Firm. Similarly, a Code Person should not offer gifts, favors, entertainment or other things of value that could be viewed as overly generous or aimed at influencing decision-making or making a client feel obligated to do business with the Firm or the Code Person.

* Gifts

No Code Person may receive any gift, service, or other thing of more than de Minimis value from any person or entity that does business with or on behalf of the Firm. No Code Person may give or offer any gift of more than de Minimis value to existing clients, prospective clients, or any entity that does business with or on behalf of the Firm without pre-approval by the CCO. Gifts, other than cash, given in connection with special occasions (e.g., promotions, retirements, weddings), of reasonable value are permissible.

* Cash

No Code Person may give or accept cash gifts or cash equivalents to or from a client, prospective client, or any entity that does business with or on behalf of the Firm. This includes cash equivalents such as gift certificates, bonds, securities, or other items that may be readily converted to cash.

* Entertainment

No Code Person may provide or accept extravagant or excessive entertainment to or from a client, prospective client, or any person or entity that does or seeks to do business with or on behalf of the Firm. Code Persons may provide or accept a business entertainment event, such as dinner, a sporting event, golf outings, etc. provided that such activities involve no more than customary amenities.

## CONFIDENTIALITY

All Code Persons of the Firm shall exercise care in maintaining the confidentiality of any confidential information, except where disclosure is authorized or legally mandated. Confidential information includes non-public information, the identity of security holdings and financial circumstances of clients.

1. Firm Duties

The Firm will keep all information about clients (including former clients) in strict confidence, including client’s identity (unless the client consents), the client’s financial circumstances, the client’s security holdings, and advice furnished to the client by the Firm or its vendors.

* Code Persons’ Duties

The Firm strictly prohibits Code Persons from disclosing to persons outside the Firm any material nonpublic information about any client, the securities investments made by the Firm on behalf of the client, information about contemplated securities transactions, or information regarding the Firm’s trading strategies, except as required to perform a securities transaction on behalf of a client or for other legitimate business purposes.

* Internal Walls

The Firm prohibits Code Persons from disclosing nonpublic information concerning clients or securities transactions to any other person within the Firm, except as required for legitimate business purposes.

* Physical Security

Firm files containing material nonpublic information will be sealed and/or locked when not being used or accessed and access to computer files containing such information is restricted to certain permitted employees via user-specific logins and codes.

* Regulation S-P

The Firm maintains policies and procedures in compliance with Regulation S-P. For specific procedures and policies these documents should be reviewed and understood. The Firm requires that all Code Persons comply with the Firm’s privacy policy. NOTE: Regulation S-P covers only a subset of the Firm’s confidentiality standards. Regulation S-P applies only to natural persons and only to personal information. The Firm’s fiduciary duty to keep client information confidential extends to all of the Firm’s clients and information, including, but not limited to corporations, limited liability organizations, trusts and estates.

## SERVICE OF BOARD OF DIRECTORS

Service on Boards of publicly traded companies should be limited to a small number of instances. However, such service may be undertaken after advanced written notice and approval from the CCO**.** Code Persons serving as Directors will not be permitted to participate in the process of making investment decisions on behalf of clients which involve the subject company, or in any other respect if making such a decision would create the illusion of, or an actual conflict of interest.

## OTHER OUTSIDE ACTIVITIES

All Code Persons must report outside business activities upon employment at the Firm, prior to engaging in any outside business activity whether or not such activity requires prior approval, and on an annual basis. (See Outside Business Activity Form).

* Executorships

The Firm discourages acceptance of executorships by Code Persons of the Firm. However, business considerations and family relationships may make it desirable to accept executorships under certain circumstances. In all cases, it is necessary for the individual to have written authorization from the CCO to act as an executor. All such existing or prospective relationships should be reported in writing to the CCO**.**

* Custodianships and Powers of Attorney

It is expected that most custodianships and powers of Attorney will be for minors or other members of the immediate family. These will be considered as automatically authorized and do not require approval from the Firm. However, approval of the Firm is required for all other custodianships. Entrustment with a Power of Attorney to execute securities transactions on behalf of another requires prior written approval from the CCO**.**

* Insurance Agents

IARs act as agents appointed with various life, long term care or other insurance companies, and receive commissions, trails, or other compensation from the respective product sponsors and/or as a result of effecting insurance transactions for clients. Clients have the right to purchase insurance products away from the Firm. As a result, this creates a conflict of interest between the Clients interests and the Firm’s interest. At all times the Firm and Code Persons will act in the client’s best interest and act as a fiduciary in carrying out services provided to the Firm’s Clients.

* Disclosure.

Regardless of whether an activity is specifically addressed in this Code, Code Persons are required to disclose in writing, any personal interest that might present a conflict of interest or harm the reputation of the Firm.

* Trustees.

 It is the Firm’s policy that neither the Firm, nor any employee or supervised person will act as a trustee except in situations where there is a clear prior personal relationship. All such existing or prospective relationships should be reported to the CCO.

## MARKETING AND PROMOTIONAL ACTIVITIES

The Code Persons of the Firm are reminded that all oral and written statements, including those made to clients, prospective clients, their representatives, or the media, must be professional, accurate, balanced, and not misleading in any way.

## COMPLIANCE PROCEDURES

## PERSONAL SECURITIES TRANSACTION PROCEDURES AND REPORTING

General Policy/ Preclearance

It is the general policy of the Firm to allow Code Persons to buy or sell all other securities, subject to the preclearance requirements and the prohibitions listed above. Code Persons are required to obtain preclearance for all securities on the Firm’s restricted list and Code Persons are required to notify the CCO about the purchase or sales of ALL Reportable Securities, **except** the following:

Purchases or sales over which a code Person has no direct or indirect influence or control;

Purchases or sales pursuant to an automatic investment plan;

Purchases effected upon exercise of rights issued by an issuer pro-rata to all holders of a class of its securities, to the extent such rights were acquired from such issuers, and sales of such rights so acquired;

Acquisition of securities through stock dividends, dividend reinvestments, stock splits, reverse stock splits, mergers, consolidations, spin-offs, and other similar corporate reorganizations or distributions generally applicable to all holders of the same class of securities;

Open end investment company shares

Certain closed-end index funds

Unit investment trusts;

Futures and options on currencies or on a broad-based securities index;

Other non-volitional events, such as assignment of options or exercise of an option at expiration; or

The Code Person is trading alongside clients and receives the same price as clients.

Any violation may require the Code person to obtain preclearance on all reportable securities going forward.

## PRE-CLEARANCE PROCEDURES

The pre-clearance requirements and associated procedures are designed to identify any prohibition or limitation applicable to a proposed investment. Pre-clearance procedures include the following:

Code Persons must submit detailed information about the proposed transaction and any additional information as requested by the CCO or his or her designee.

All information must be submitted before the proposed transaction.

The CCO or other designated person shall authorize/deny the requested transaction.

Documentation of the transaction, the approval/denial of and rationale supporting the decision shall be maintained for at least five (5) years after the end of the fiscal year in which the approval/denial was issued.

The CCO or his or her designee may deny or revoke a preclearance request for any reason. In no event will preclearance be granted for any transaction if the Firm has a buy or sell order pending for that same security or a closely related security (such as an option relating to that security, or a related convertible or exchangeable security). Furthermore, in no event will preclearance be granted for any transaction if the purchase or sale of such security is inconsistent with the purposes of this Code of Ethics and Advisers Act. If approved, preclearance is valid only for the day on which it is granted and the following one (1) business day. The Chief Executive Officer shall authorize/deny preclearance requests of the CCO or other person that authorizes transactions.

A duplicate confirmation will be obtained and checked against the file of pre-clearance approvals.

## REPORTING REQUIREMENTS

The Firm requires Code Persons to submit to the CCO a report of all holdings in Reportable Securities which the Code Person has a direct or indirect beneficial ownership as defined by Rule 204A-1, within 10 days of becoming a Code Person and thereafter on an annual basis.

For the purposes of personal securities reporting requirements, a Code Person’s holdings include the holdings of a Code Person’s immediate family (including any relative by blood or marriage living in the Code Person’s household), and holdings in any account in which the Code Person has direct or indirect beneficial ownership, such as a trust.

The holdings report must include:

the title and exchange ticker symbol or CUSIP number, type of security, number of shares and principal amount (if applicable) of each reportable security in which the Code Person has any direct or indirect beneficial ownership;

the name of any broker, dealer, or bank with which the Code Person maintains an account in which any securities are held for the Code Person’s direct or indirect benefit;

the date the report was submitted; and

the specific account numbers or identifiers in the holdings report.

## QUARTERLY TRANSACTION REPORTS

All Code Persons must submit to the CCOtransaction reports no later than 30 days after the end of each calendar quarter covering all transactions in Reportable Securities during the quarter.

For the purposes of quarterly transaction reports, a Code Person’s transactions include the transactions of a Code Person’s immediate family (including any relative by blood or marriage living in the Code Person’s household), and transactions in any account in which the Code Person has direct or indirect beneficial ownership, such as a trust.

The report must include:

the date of the transaction, the title and as applicable the exchange ticker symbol or CUSIP number, interest rate and maturity date, the number of shares, and principal amount of each reportable security involved;

 the nature of the transaction (e.g., purchase or sale);

the price of the security at which the transaction was effected;

the name of the broker, dealer, or bank with or through which the transaction was effected; and

the date the report is submitted.

## CONFIDENTIALITY OF REPORTS

All reports provided by Code Persons concerning their transactions and holdings will be maintained in confidence, except to the extent necessary to implement and enforce the provisions of the Code or to comply with requests for information from government agencies.

## REPORTING EXEMPTIONS

Under the rule, Code Persons are not required to submit: (a) any report with respect to securities held in accounts over which the Code Person has no direct or indirect influence or control; (b) a transaction report with respect to transactions effected pursuant to an automatic investment plan, including dividend reinvestment plans; (c) a transaction report if the report would duplicate information contained in broker trade confirmations or account statements that the Firm holds in its records. The confirmations or statements must be received no later than 30 days after the end of the applicable calendar quarter.

## DUPLICATE BROKERAGE CONFIRMATIONS AND STATEMENTS

The Firm requires each Code Person to disclose the broker/dealers in which the Code Person maintains accounts. The Code Person shall direct their brokers to provide to the CCO or other designated compliance official, on a timely basis, duplicate copies of confirmations of all personal securities transactions and copies of periodic statements for all securities accounts in which they have an interest. Code Persons may use such duplicate brokerage confirmation and account statements in lieu of submitting holdings and transaction reports, provided that all required information is contained in those confirmations and statements.

## MONITORING OF PERSONAL SECURITIES TRANSACTIONS

The Firm will review personal securities transactions and holdings reports periodically. The Firm has developed these procedures:

The Firm designates the CCO (“Reviewer”) to review and monitor personal securities transactions and trading patterns of Code Persons.

The Firm designates [alternate designee] to review and monitor the personal securities transactions of the Reviewer and for taking the responsibility of the Reviewer in the Reviewer’s absence.

Should the Reviewer become aware of potential violations of the code, a written report explaining the potential violations and the supporting documents will be presented to the Managing Partner of the Firm.

The Reviewer shall follow these steps in reviewing personal securities holdings and transactions reports:

Assess whether Code Person has followed required internal procedures, such as pre-clearance;

Compare personal trading to any restricted lists;

Assess whether the Code Person is trading for his or her own account in the same securities the Firm is trading for clients; and if so, whether the clients are receiving terms as favorable as the Code Person takes for him or herself;

Periodically analyze the Code Person’s trading for patterns that may indicate abuse, including market timing; and,

Investigate any substantial disparities between the percentage of trades that are profitable when the Code Person trades for his or her own account and the percentage that are profitable when he or she places trades for clients.

## CERTIFICATION OF COMPLIANCE

## INITIAL CERTIFICATION

The Firm requires all Code Persons to certify in writing that they have: (a) received, read, and understood the amendments to the Code; (b) read and understood all provisions of the Code; and (c) agreed to comply with the terms of the Code. This is done when the Code Person signs the ***Acknowledgement of Receipt of Compliance Manual***in the***Code of Ethics Exhibit* A**.

## ACKNOWLEDGEMENT OF AMENDMENTS

All amendments to the Firm’s Code of Ethics will be provided to Code Persons, who will submit written acknowledgement that they have received, read, and understood the amendments to the Code, in the form attached hereto as ***Acknowledgment of Receipt and Acceptance of Amendment to Code of Ethics***in the ***Code of Ethics*** in ***Exhibit B****.*

## ANNUAL CERTIFICATION

All Code Persons shall annually certify that they have read, understood, and complied with the Code of Ethics. In addition, Code Persons shall annually certify that the Code Person has submitted the reports required by the Code and has not engaged in any prohibited conduct, in the form attached hereto as ***Annual Certification***in ***Code of Ethics Exhibit C****.* If a Code Person is unable to make such representation, the Firm shall require the person to self-report any violations.

## RECORDKEEPING

The Firm will maintain the following records in a readily accessible place:

A copy of each Code that has been in effect at any time during the past five (5) years;

A record of any violation of the Code and any action taken as a result of such violation for five (5) years from the end of the fiscal year in which the violation occurred;

A record of all written acknowledgements of receipt of the Code and amendments for each person who is currently, or within the past five (5) years was, a Code Person;

Holdings and transaction reports made pursuant to the Code, including any brokerage confirmation statements submitted in lieu of these reports;

A list of the names of persons who are currently, or within the past five (5) years were, Code Persons;

A record of any decision, and supporting reasons for approving, the acquisition of securities by a Code Person in private or limited offerings for at least five (5) years after the end of the fiscal year in which approval was granted.

## FORM ADV DISCLOSURE

The Firm shall include in Form ADV, Part 2A and Form CRS, or similar document, a summary of the Firm’s Code and shall state that the Firm will provide a copy of the Code to any client or prospective client upon request.

## ADMINISTRATION AND ENFORCEMENT OF THE CODE

## TRAINING AND EDUCATION

The CCO, or a designated person, shall be responsible for training and educating Code Persons regarding the Code. Such training shall occur periodically, and all Code Persons are required to attend any training sessions or read any applicable materials.

## ANNUAL REVIEW

The CCO shall review, at least annually, the adequacy of the code and the effectiveness of its implementation.

## REPORT TO SENIOR MANAGEMENT

The CCO shall report to senior management the annual review of the Code and bring material violations to their attention.

## REPORTING VIOLATIONS

All Code Persons shall report violations of the Firm’s Code of Ethics promptly to the CCO or other appropriate personnel designated in the Code.

* Confidentiality

All reports of violations shall be treated confidentially to the extent permitted by laws and investigated promptly and appropriately.

* Alternate Designee

The alternate person to whom personnel may report violations in case the CCO or other primary designee is involved in the violation or is unreachable is [alternate designee].

* Types of Reporting

Examples of the types of reporting required under this Code include noncompliance with applicable laws, rules, and regulations; fraud or illegal acts involving any aspect of the Firm’s business; material misstatements in regulatory filings, internal books and records, clients' records, or reports; activity that is harmful to clients and deviations from required controls and procedures that safeguard clients and the Firm.

* Apparent Violations

Code Persons shall report “apparent” or “suspected” violations in addition to actual or known violations of the code.

* Retaliation

Retaliation against an individual who reports a violation is prohibited and constitutes a further violation of the Code.

## WHISTLEBLOWER PROGRAM

Whistleblower Program. Effective August 12, 2011, The Dodd-Frank Wall Street Reform and Consumer Protection Act (aka the Whistleblower Program) provided the SEC the authority to pay financial rewards to whistleblowers who provide new and timely information about any securities law violation. To be eligible, the whistleblower’s information must lead to a successful SEC enforcement action with more than $1,000,000 in monetary sanctions. While the rules incent rather than require prospective whistleblowers to use internal Firm compliance program, the regulations clarify that the SEC, when considering the amount of an award, will consider to what extent (if any) the whistleblower participated in the internal compliance processes of the Firm.

More information regarding eligibility and how to report anonymously can be found via the following link: [SEC Whistleblower](http://www.sec.gov/whistleblower). A person must be acting in good faith in reporting a complaint or concern and must have reasonable grounds for believing a deliberate misrepresentation has been made regarding accounting or audit matters or a breach of this Manual or the Firm’s Code of Ethics. A malicious allegation known to be false is considered a serious offense and will be subject to disciplinary action that may include termination of employment.

It is further [Abbreviation of Firm]’s policy that any misconduct by any Firm owner, management personnel or Supervised Person (exempt or non-exempt) shall be reported to the CCO. If the misconduct being reported is regarding the CCO, reports shall be made to other owners, management personnel or applicable regulators. If reported to an owner or management personnel, [Abbreviation of Firm] will protect the reporting person’s identity and will not cause or threaten retaliation of any sort in connection with these reports. Reports may be filed online or via Form TCR (Tip, Complaint or Referral) available at the above [link](http://www.sec.gov/whistleblower).

## SANCTIONS

Code Persons that violate the Code may be subject to disciplinary action that a designated person or group (e.g., CCO**,** Managing Partner) deems appropriate, including but not limited to a warning, fines, disgorgement, suspension, demotion, or termination of employment. In addition to sanctions, violations may result in referral to governmental or self-regulatory authorities when appropriate.

## FURTHER INFORMATION REGARDING THE CODE

Should a Code Person require additional information about the Code or have any other ethics-related questions, they should contact the CCO.

# CODE OF ETHICS EXHIBIT A

# ACKNOWLEDGEMENT OF RECEIPT AND ACCEPTANCE OF CODE OF ETHICS

By signing below, I certify that I have received, read, understand, have abided by, and will continue to abide by [Abbreviation of Firm]’s **Code of Ethics**. I understand that any questions about [Abbreviation of Firm]’s **Code of Ethics** should be directed to the CCO.

Print Name:

Signature:

Date:

# CODE OF ETHICS EXHIBIT B

# ACKNOWLEDGEMENT OF RECEIPT AND ACCEPTANCE OF AMENDMENT TO CODE OF ETHICS

By signing below, I certify that I have received, read, understand, have abided by, and will continue to abide by [Abbreviation of Firm]’s **Amendment to** **Code of Ethics**. I understand that any questions about [Abbreviation of Firm]’s **Code of Ethics** should be directed to the CCO.

Print Name:

Signature:

Date:

# CODE OF ETHICS EXHIBIT C

# ANNUAL CERTIFICATION OF COMPLIANCE WITH THE CODE OF ETHICS

I certify that during the year ended as of the date written below, I have complied with **[Abbreviation of Firm]’s Code of Ethics** in all respects.

Print Name:

Signature:

Date:

# APPENDIX C – INSIDER TRADING

**STATEMENT OF POLICIES AND PROCEDURES**

**WITH RESPECT TO THE FLOW AND USE OF MATERIAL**

**NONPUBLIC (INSIDE) INFORMATION**

This is a Statement of Policies and Procedures with Respect to the Flow and Use of Material Nonpublic (Inside) Information (the “Statement”) of [Firm Name] (“[Abbreviation of Firm]”).

A reputation for integrity and high ethical standards in the conduct of the affairs of [Abbreviation of Firm] is of paramount importance to us. To preserve this reputation, it is essential that all transactions in securities be effected in conformity with applicable securities laws.

This Statement has been adopted in response to the requirements of the Insider Trading and Securities Fraud Enforcement Act of 1988 (the “Act”). The Act was designed to enhance the enforcement of the securities laws, particularly in the area of insider trading, by:

1. imposing severe penalties on persons who violate the laws by trading on material, nonpublic information and
2. requiring Custodian and investment advisers to establish, maintain and enforce written policies and procedures reasonably designed to prevent the misuse of inside information. All Supervised Persons of [Abbreviation of Firm] are required to comply with this Statement.

The purpose of this Statement is to explain:

the general legal prohibitions regarding insider trading;

the meaning of the key concepts underlying the prohibition;

the sanctions for insider trading and expanded liability for controlling persons; and

[Abbreviation of Firm]’s educational program regarding insider trading.

## THE BASIC INSIDER TRADING PROHIBITION

The Act does not define insider trading. However, in general, the “insider trading” doctrine under U.S. federal securities laws prohibits any person (including investment advisers) from knowingly or recklessly breaching a duty owed by that person by:

trading while in possession of material, nonpublic information;

communicating (“tipping”) such information to others;

recommending the purchase or sale of securities on the basis of such information; or

providing substantial assistance to someone who is engaged in any of the above activities.

In addition, rules of the U.S. Securities and Exchange Commission (“SEC”) prohibit an individual from trading while in possession of material, nonpublic information relating to a tender offer, whether or not trading involves a breach of duty, except for a Firm acting in compliance with “Chinese Wall” procedures.

Possession Versus Use of Inside Information (Meaning of “on the basis of”)

Until fairly recently, an unsettled issue under U.S. insider trading laws was whether an alleged violator must have “used” material nonpublic information or whether mere “possession” is enough. To clarify this issue, the SEC adopted Rule 10b5-1 under the Securities Exchange Act of 1934, which states that “a purchase or sale of a security of an issuer is ‘on the basis of‘ material nonpublic information about that security or issuer if the person making the purchase or sale was aware of the material nonpublic information when the person made the purchase or sale.”In other words, if a person trades with respect to a security or issuer while he or she has knowing possession of material nonpublic information about the security or issuer, the person will likely be deemed to have traded “on the basis of“ that information (in possible violation of insider trading laws) even if the person did not actually use the information in making the trade.

**No Fiduciary Duty to Use Inside Information.** Although [Abbreviation of Firm] has a fiduciary relationship with its clients, it has no legal obligation to trade or recommend trading on the basis of information its employees know to be “inside” information. In fact, such conduct could violate the federal securities laws.

## BASIC CONCEPTS

As noted, the Act did not specifically define insider trading. However, federal law prohibits knowingly or recklessly purchasing or selling directly or indirectly a security while in possession of material, nonpublic information or communicating (“tipping”) such information in connection with a purchase or sale. Under current case law, the SEC must establish that the person misusing the information has breached either a fiduciary duty to company shareholders or some other duty not to misappropriate insider information.

Thus, the key aspects of insider trading are:

* Materiality

Insider trading restrictions arise only when information that is used for trading, recommending, or tipping is “material.” Information is considered “material” if there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or if it could reasonably be expected to affect the price of a company’s securities. It need not be so important that it would have changed the investor’s decision to buy or sell. On the other hand, not every tidbit of information about a security is material.

* Nonpublic Information

Information is considered public if it has been disseminated in a manner making it available to investors generally (e.g., national business and financial news wire services, such as Dow Jones and Reuters; national news services, such as The Associated Press, The New York Times, or The Wall Street Journal; broad tapes; SEC reports; brokerage Firm analysts’ reports that have been disseminated to [Abbreviation of Firm]’s clients). Just as an investor is permitted to trade on the basis of nonpublic information that is not material, he or she may also trade on the basis of information that is public. However, as an example, information given by a company director to an acquaintance of an impending takeover prior to that information being made public would be considered both “material” and “nonpublic.” Trading by either the director or the acquaintance prior to the information being made public would violate the federal securities laws.

* Knowing

Under the federal securities laws, a violation of the insider trading limitations requires that the individual act:

1. with “scienter” – with knowledge that his or her conduct may violate these limitations – or
2. (ii) in a reckless manner. “Recklessness” involves acting in a manner that ignores circumstances that a reasonable person would conclude would result in a violation of insider trading limitations.
* Fiduciary Duty

The general tenor of recent court decisions is that insider trading does not violate the federal securities laws if the trading, recommending or tipping of the insider information does not result in a breach of duty. Over the last decade, the SEC has brought cases against accountants, lawyers, and stockbrokers because of their participation in a breach of an insider's fiduciary duty to the corporation and its shareholders. The SEC has also brought cases against non-corporate employees who misappropriated information about a corporation and thereby allegedly violated their duties to their employers. The situations in which a person can trade on the basis of material, nonpublic information without raising a question whether a duty has been breached are so rare, complex, and uncertain that the only prudent course is not to trade, tip or recommend while in possession of or based on inside information. In addition, trading by an individual while in possession of material, nonpublic information relating to a tender offer is illegal irrespective of whether such conduct breaches a fiduciary duty of such individual. Set forth below are several situations where courts have held that such trading involves a breach of fiduciary duty or is otherwise illegal.

* Corporate Insider

In the context of interviews or other contact with corporate management, the Supreme Court held that an investment analyst who obtained material, nonpublic information about a corporation from a corporate insider does not violate insider trading restrictions in the use of such information unless the insider disclosed the information for "personal gain." However, personal gain may be defined broadly to include not only a pecuniary benefit, but also a reputational benefit or a gift. Moreover, selective disclosure of material, nonpublic information to an analyst might be viewed as a gift.

* Tipping Information

The Act includes a technical amendment clarifying that tippers can be sued as primary violators of insider trading prohibitions, and not merely as aiders and abettors of a tippee's violation. In enacting this amendment, Congress intended to make clear that tippers cannot avoid liability by misleading their tippees about whether the information conveyed was nonpublic or whether its disclosure breached a duty. However, Congress recognized the crucial role of securities analysts in the smooth functioning of the markets and emphasized that the new direct liability of tippers was not intended to inhibit "honest communications between corporate officials and securities analysts.”

* Corporate Outsider

Additionally, liability could be established when trading occurs based on material, nonpublic information that was stolen or misappropriated from any other person, whether a corporate insider or not. An example of an area where trading on information may give rise to liability, even though from outside the company whose securities are traded, is material, nonpublic information secured from an attorney or investment banker employed by the company.

* Tender Offers

The SEC has adopted a rule specifically prohibiting trading while in possession of material information about a prospective tender offer before it is publicly announced. This rule also prohibits trading while in possession of material information during a tender offer which a person knows or has reason to know is not yet public. Under the rule, there is no need for the SEC to prove a breach of duty. Furthermore, in the SEC's view, there is no need to prove that the nonpublic, material information was actively used in connection with trading before or during a tender offer. However, this rule has an exception that allows trading by one part of a securities Firm where another part of that Firm has material, nonpublic information about a tender offer if certain strict "Chinese Wall" procedures are followed.

## SANCTIONS AND LIABILITIES

* Sanctions

Insider trading violations may result in severe sanctions being imposed on the individual(s) involved and on [Abbreviation of Firm]. These could involve SEC administrative sanctions, such as being barred from employment in the securities industry, SEC suits for disgorgement and civil penalties of, in the aggregate, up to three times profits gained or losses avoided by the trading, private damage suits brought by persons who traded in the market at about the same time as the person who traded on inside information, and criminal prosecution which could result in substantial fines and jail sentences. Even in the absence of legal action, violation of insider trading prohibitions or failure to comply with this Statement or the Code may result in termination of your employment and referral to the appropriate authorities.

* Controlling Persons

The Act increases the liability of "controlling persons" -- defined to include both an employer and any person with the power to influence or control the activities of another. For example, any individual that is a manager or director or officer exercising policy making responsibility is presumed to be a controlling person. Thus, a controlling person may be liable for another's actions as well as his or her own.

A controlling person of an insider trader or tipper may be liable if such person failed to take appropriate steps once such person knew of, or recklessly disregarded the fact that the controlled person was likely to engage in, a violation of the insider trading limitations. The Act does not define the terms, but "reckless" is discussed in the legislative history as a "heedless indifference as to whether circumstances suggesting employee violations actually exist."

A controlling person of an insider trader or tipper may also be liable if such person failed to adopt and implement measures reasonably designed to prevent insider trading. This Statement and the Code are designed for this purpose, among others.

## RESTRICTIONS AND REQUIRED CONDUCT TO PREVENT INSIDER TRADING

In order to prevent even inadvertent violations of the ban on insider trading, or even the appearance of impropriety regarding other forms of personal trading, the following standards of conduct must be observed:

1. All information about [Abbreviation of Firm]’s clients and about securities in which [Abbreviation of Firm] or its clients invest, including but not limited to the value of accounts; securities bought, sold or held; current or proposed business plans; acquisition targets; confidential financial reports or projections; borrowings, etc., must be held in strictest confidence.
2. When obtaining material information about an issuer or portfolio from insiders, [Abbreviation of Firm] will determine whether the information learned has already been disseminated through public channels. In discussions with securities analysts, it also may be appropriate to determine whether the information the analyst provides has been publicly disseminated.
3. If you suspect that you or [Abbreviation of Firm] has learned material, non-public information about an issuer, you must take the following steps:
4. Report the information and any proposed trade in that security to the CCO;
5. Do not buy or sell the securities for you own account or for the account of anyone else, including a Firm client;
6. After reviewing the issue, the CCO will make a determination as to whether the information is “inside” information. If it is, the CCO will so inform all Supervised Persons, and no one at [Abbreviation of Firm] may trade based on such information until the CCO determines that the information has been made public. At that time, the CCO shall notify [Abbreviation of Firm]’s Supervised Persons in writing that the ban on trading based on such information has been lifted.
7. At all times, decisions regarding investments for clients will be made independently of decision concerning the accounts of supervised Persons or affiliates of [Abbreviation of Firm]. Under no circumstances may action be taken for client accounts in order to benefit a Supervised Person’s account or those of the Supervised Person’s Family/Household.
8. No Supervised Person shall recommend any securities transaction for an advisory client without having disclosed his or his interest, if any, in such securities or the issuer of the securities, including without limitation: (1) his or her direct or indirect beneficial ownership of any securities of such issuer; (2) any contemplated transaction by such person in such securities; (3) any position with such issuer or its affiliates; and (4) any present or proposed business relationship between such issuer or its affiliates and such person or any party in which such person has a significant interest.
1. * A supervised person includes the following:
	* Directors, officers, and partners of the Firm or other persons occupying a similar status or performing similar functions;
	* Employees of the Firm; and
	* Persons who provide investment advice on behalf of the Firm and are subject to the Firm’s supervision and control. [↑](#footnote-ref-2)
2. An “access person” includes any supervised person who:

	* Has access to nonpublic information regarding any client’s purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any fund for which the Firm serves as an investment adviser as defined in Section 2(a)(20) of the Investment Company Act of 1940; or
	* Is involved in making securities recommendations to clients or has access to such recommendations that are nonpublic.
	* All directors, officers and partners are presumed to be “access persons.” [↑](#footnote-ref-3)
3. The term “beneficial ownership” as used in this Code of Ethics is to be interpreted by reference to Rule 16a-1 under the U.S. Securities Exchange Act of 1934, as amended. Under the Rule, a person is generally deemed to have beneficial ownership of securities if the person, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares a direct or indirect pecuniary interest in the securities. The term “pecuniary interest” means the opportunity, directly or indirectly, to profit or share in any profit derived from a transaction in the subject securities.

Notwithstanding the fact that a Code Person has not purchased a security for his/her own account or the account of an immediate family member, if at any time a Code Person becomes aware that he or she has become a beneficial owner of a security in an initial public, limited or private offering (e.g., a purchase made by an immediate family member, which is any relative by blood or marriage living in the Code Person’s household), the Code Person shall promptly report such interest to the CCO who shall determine the appropriate action, if any. [↑](#footnote-ref-4)