Exchange Capital Management, Inc.

Compliance and Operating Procedures Manual

For investment adviser use only.
Revised as of 09/12/2024.

COPM Summary of Changes

Revision Date 09/12/2024	
Section 8.16	Added NASAA IAR Continuing Education ("IAR CE") Program.
Section 9.6	Due to the July 2024 ruling by a federal court to vacate the DOL ERISA Fiduciary Rule, the PTE 2020-2 policy has been paused until such time that the Rule is re-implemented.
Section 10.2.2	Added requirement of a client-signed amendment or new agreement should the firm make material changes to its investment advisory agreements.
Section 10.3	Amended Electronic Signatures Policy.
Section 10.5.3	Further amended promoter arrangements (aka endorser/solicitor arrangements) to separate the marketing rule requirements where compensation is $1,000 or greater vs. under $1,000.
Section 12.4	Added Custodian Asset-Based Pricing vs. Transaction-Based Pricing procedures for determining appropriateness for client accounts as well as periodic review.
Section 12.8	Added Changing Client Address procedures.
Section 12.9	As part of the firm's Portfolio Monitoring procedures, added procedures for IAR and CCO/designee monitoring of financial planning, financial audit, and consulting engagements.
Section 16.4	Amended Supervisory Procedures to Prevent Misuse of Material Non-Public Information to provide procedures specific to where a client is deemed an insider.
Section 20	Added Form N-PX Policy.
Sections 21.11 and 21.13	With regard to IAR use of a d/b/a, added d/b/a websites used by the firm's IARs as website considerations for advertising and required disclaimers for all firm-associated websites, as well as CCO approval and periodic review of d/b/a's.
Section 23	Made extensive revisions to Electronic Communications and Social Media Policy to conform with regulatory and technology updates. Added Mobile Device Policy.
Section 35	Amended Billing Policy section with requirement to review billing records to ensure client fees charged align with fees agreed to in the signed client agreement and/or client signed fee increases. Added billing review of financial planning, financial audit, and consulting engagements.
Appendix A	Amended Annual Policies Certification item 6 regarding use of social media/text/apps for firm business.

Table of Contents

1. Background

Exchange Capital Management, Inc. ("Exchange Capital Management" and/or "the firm"), is an investment adviser registered with the Securities and Exchange Commission and is a Corporation formed under the laws of the State of Michigan.

This manual contains the written operating procedures of the firm and shall be followed by all personnel in the carrying out of their responsibilities with the firm. Its purpose is to help ensure that the firm conducts its business in compliance with all applicable state and federal laws, rules, and regulations and in keeping with the highest level of professional and ethical standards.

2. General Notices and Disclaimers

The term “employee” as used throughout the text of this Compliance and Operating Procedures Manual (“COPM”) includes the firm’s investment advisor representatives (“IARs”), marketing and seminar personnel, finance, independent contractors, and such other non-registered employees as specifically designated within this manual. Every applicable employee is expected to abide by the policies and procedures as outlined in the firm’s COPM.

Supervisory responsibilities may be delegated to others when necessary and as deemed appropriate. Designated supervisors are, as explained in later sections of the COPM, held responsible for supervision of the people and areas to which they are assigned. Hereinafter, any reference made in the COPM to supervisors will be construed as a reference to those individuals and/or to the individuals they have previously identified as their designees.

The Chief Compliance Officer (“CCO”) is responsible for maintaining current written policy statements and procedures for dissemination to all affected personnel. The Code of Ethics, the COPM, and all related documents are reviewed periodically for potential changes or additions deemed necessary as a result of new industry regulations, changes in the firm’s services, and/or modifications of existing technology and practices. When revisions to any of the aforementioned documents are made, the CCO will notify all impacted employees of the firm either by email or memorandum. If revisions are made to a specific section or sections of the COPM, the affected pages will be redrafted and distributed to replace those that are no longer considered current.

3. Services Offered

Refer to the firm's ADV Part 2A Brochure for current service offerings.

4. Management Structure

Exchange Capital Management is managed by Michael Reid and Kevin McVeigh ("Manager"). The firm's personnel report directly to the Manager. Andrew Stewart is Vice President of Exchange Capital Management. The firm's Chief Compliance Officer is Michael Reid.

5. Designated Examining Authority

Exchange Capital Management is an SEC-registered investment adviser.

6. Supervisory Structure

Supervisory System	
Responsibility	Manager, CCO, and their respective designees
Resources	Outside Consultants Regulatory Releases, New Regulatory Requirements, CE Files Changes in Custodian Requirements Changes in Money Manager Requirements Internal Records & Memoranda
Action	At least annually and as needed - review business model to ensure supervisory structure adequately addresses the firm's regulatory obligations
Frequency	As needed, but no less than once per year
Record	Written Operating Procedures Annual Compliance Review Report

The firm's Manager, CCO, and their respective designees are responsible for the day-to-day supervision of all activities performed by the firm. The CCO is responsible for supervising the firm's investment advisory activities. These activities include registration and licensing, marketing, engagement and billing oversight, due diligence and monitoring of third-party providers, recordkeeping, finance and accounting, managing conflicts, ERISA, maintenance of electronic records, managing information flow of material non-public information, managing and resolving client complaints, disclosure requirements, business continuity planning requirements, and such other duties as required for the provision of investment advisory services.

6.1 Structure of the Firm

Exchange Capital Management is an independent investment advisory firm registered with the U.S. Securities & Exchange Commission. Located in Ann Arbor, Michigan, Exchange Capital Management was incorporated in 1989 and began operations early in 1990. The principal owners of the firm are Kevin McVeigh, the firm's Managing Director, and Michael Reid, the firm's CCO. Andrew Stewart is Vice President of Exchange Capital Management.

All applicable personnel of the firm are subject to the policies, procedures, and requirements as detailed in this COPM, the Code of Ethics, and related documents. Policies and procedures may be updated from time to time based upon internal policy decisions, regulatory requirements, and such other factors as determined by the firm's Manager. Employees will be notified when amendments have been made to the COPM or to any of the firm's related policy and procedural documents.

6.2 Functions of the Chief Compliance Officer

The firm has designated Michael Reid as its Chief Compliance Officer ("CCO"). The CCO will be responsible for all compliance functions. The CCO has been empowered by the firm with full responsibility and authority to develop and enforce appropriate policies and procedures

for the firm. These policies and procedures will be reasonably designed to prevent violation of federal and state securities laws. The CCO will be responsible for the review of the firm's policies and procedures on an annual basis, making changes in such policies and procedures when necessary, documenting those changes, and keeping a log to record such changes and annual review. Copies of the firm's policies and procedures will be maintained for a minimum of five years from the date of the most recent change.

6.3 CCO Reviews and Inspections

The firm's CCO or designee will conduct quarterly best execution reviews of customer statements, as well as such other reviews to ensure compliance with the firm's policies and procedures. The CCO will conduct an annual review to ensure compliance with the firm's requirements as well as with regulatory requirements.

The CCO will conduct annual audits for the purpose of identifying deficiencies and providing recommendations to cure such deficiencies. Such audits will entail a compliance meeting with applicable personnel.

6.4 Supervisory System

The firm's supervisory system components comprise the following:

- Registration and Licensing
- Fiduciary Standards and ERISA
- Investment Advisory Contracts and Monitoring
- Disclosure Statement Procedures
- Risk Profiling and Account Implementation
- Establishing an Account
- Ongoing Maintenance
- Code of Ethics
- Proxy Voting
- Advertising and Marketing
- Gifts, Gratuities, and Events
- Electronic Communications
- Cybersecurity
- Client Correspondence
- Client Complaints
- Regulated Employee Activities
- Outside Business Activities
- Custody of Assets
- Regulation S-P
- Finance and Accounting
- Fee Billing
- Recordkeeping
- Disaster Recovery

7. Fees

Refer to the firm's ADV Part 2A Brochure for current fees for services.

8. Registration and Licensing

Employment & Registration Matters	
Responsibility	CCO
Resources	New Hire Forms Background Investigations Disclosures from Employees' Forms U-4/U-5 Client Communications Annual Compliance Meeting Form ADV, Brochure, and Brochure Supplement
Action	File U-4's, U-5's, create amendments as needed
Frequency	As needed
Record	New Hire Forms Certification Forms Background Investigation Reports CRD Record Form U-4/U-5 Customer Complaints Annual Compliance Meeting Documentation Annual Updating Amendment

8.1 Registration

The CCO shall ensure that the firm and its investment advisor representatives are at all times properly registered and licensed as required by applicable state and federal rules and regulations or are exempt from registration as applicable.

8.2 Definition of Investment Advisor Representative

Investment advisor representatives ("IARs") of the firm include individuals who meet the following criteria:

- Any manager/officer/partner or any person performing similar functions employed by or associated with the firm (except for clerical or ministerial personnel) who is subject to the supervision and control of the firm and provides any of the following services:
  - Makes recommendations regarding securities
  - Manages accounts or portfolios of clients
  - Determines what advice should be given
  - Solicits the sale of or sells investment advisory services (unless incidental to his or her profession)
  - Supervises employees who perform any of the foregoing
- Any partner or any person performing similar functions employed by or associated with the firm (except for clerical or ministerial personnel) who is subject to the supervision and control of the firm and
  - Has more than five clients who are natural persons

- More than 10 percent of whose clients are natural persons but not qualified clients as defined under the Investment Advisers Act

Only IARs of the firm are authorized to determine investment advice for a client.

8.3 Investment Advisor Registration Depository

The SEC and the state securities authorities have created an electronic filing system, the Investment Advisor Registration Depository ("IARD"), through which investment advisors will make filings with the SEC and the states over the Internet. FINRA will operate the IARD under contract with the SEC and the North American State Securities Administrators (NASAA). FINRA will be responsible for certain ministerial tasks as the operator of the IARD but will not act as a self-regulatory organization for advisors.

8.4 Form ADV

Each investment advisor registered with a state or the SEC must file Form ADV through the IARD. Additionally, each registered advisor must file amendments to the Form ADV through the IARD at least annually. The Form ADV contains two parts.

8.4.1 Part 1A of Form ADV

Part 1A of Form ADV asks a number of questions about the firm, the firm's business practices, the persons who own and control the firm, and the persons who provide investment advice on behalf of the firm. Part 1A also contains several schedules that supplement Part 1A. These include the following:

- Schedule A – Asks for information about the firm's direct owners and executive officers.
- Schedule B – Asks for information about the firm's indirect owners.
- Schedule C – Used by "paper filers" to update the information required by Schedules A and B.
- Schedule D – Asks for additional information for certain items in Part 1A.
- DRPs (Disclosure Reporting Pages) – Asks for details about disciplinary events involving the firm or persons affiliated with the firm.

8.4.2 Part 2A and Part 2B of Form ADV

Parts 2A and 2B of Form ADV are also known as the Brochure and Brochure Supplement. These disclose, among other information, the firm's services and fee structure, background information on the individuals providing advisory services, and actual and potential conflicts of interest. The firm's Brochure and Brochure Supplement will be provided to the client at the time the client signs the investment advisory agreement. The firm will provide an annual offer to deliver its current brochure and brochure supplement to clients.

The firm will amend Part 2A promptly when it becomes materially inaccurate. The firm will, within 120 days after the end of the firm's fiscal year and without charge, send each client either:

- A current brochure; or
- The summary of material changes to the brochure as required by Item 2 of Form ADV, Part 2A, with an offer to provide the firm's current brochure without charge, accompanied by the website address (if available) and an e-mail address (if

available) and telephone number by which a client may obtain the current brochure from the firm, as well as the website address for obtaining information about the firm through the Investment Adviser Public Disclosure (IAPD) system.

8.5 Review and Updating of Form

It is the responsibility of the CCO to review the Form ADV on an ongoing basis to ensure that all information is current and accurate and that actual and potential conflicts have been vetted and disclosed. Material changes to the Form ADV Parts 1A and 1B must be filed with the SEC and/or state, as applicable, through the IARD in a timely manner (within 30 days). Any material amendments of Form ADV require prompt delivery to the client. Material changes include firm name change, address change, ownership change, and disciplinary actions (firm or individual).

8.6 Filing Fees

The firm will pay all filing fees promptly by carrying a sufficient balance in its IARD account and monitoring IARD broadcast notices.

8.7 Regulatory Reporting

8.7.1 Annual Updating Amendment

The firm must file an annual updating amendment via the IARD within 90 days after its fiscal year-end. This amendment to the firm's Form ADV reaffirms the eligibility information contained in Item 2 of Parts 1A and 1B and acts to update the responses to any other item for which the information is no longer accurate. It is the responsibility of the CCO to file or cause the filing of the annual updating amendment.

8.7.2 Material Changes

In addition to the annual updating amendment, the CCO is responsible for filing additional amendments promptly if:

- Information provided in response to Items 1, 3, 9, or 11 of Part 1A, or Items 1, 2.A.–2.F., or 2.I. of Part 1B become inaccurate in any way
- Information provided in response to Items 4, 8, or 10 of Part 1A, or Item 2.G. of Part 1B becomes materially inaccurate
- Information provided in Part 2A becomes materially inaccurate

8.8 State Licensing and Registration

8.8.1 State Requirements

The firm must maintain its home state registration. In addition, the firm may have to register in some or all of the states in which it conducts business or maintains an office. In addition, IARs of the firm may need to be registered, licensed, or otherwise qualified in those states in which they have offices or clients. The firm is an SEC registrant and therefore may need to provide notice filings in each state in which it has investment advisory clients, unless otherwise exempt from filing due to states' client de minimis tests.

8.8.2 Supervisory Responsibility

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 applicable personnel are properly registered, licensed, and qualified to conduct business pursuant to all applicable laws of those states. Registered personnel are required to monitor the list of states in which they carry registration and promptly notify the CCO in the event they are either soliciting or conducting business in a state not listed on such state registration list.

8.8.3 Restrictions

Unless otherwise permitted by regulation, the firm may not solicit or render investment advice for any client domiciled in a state where the firm is not properly registered or notice filed.

The CCO will work with a third-party vendor, if necessary, to determine state filing requirements, if applicable.

8.9 IAR Registration

The CCO is responsible for filing all necessary registration and licensing materials with applicable federal and state regulatory agencies in connection with the registration of each IAR.

Prior to the submission of an application for registration or licensing of any person with any regulatory authority, a background check will be made on applicants to determine reputation, qualification, and experience, unless otherwise waived by the CCO. A written record of each background check or waiver will be kept in the appropriate IAR's employment file.

The firm will not register an individual as an IAR of the firm until all prior associations with other investment advisors have been terminated, unless otherwise approved by the CCO.

Once the CCO is satisfied that the employee is required to register with a state as an IAR and can qualify for such registration, the CCO will review the registration requirements of the applicable state(s), including whether the state accepts such filings via the IARD system and make the necessary filings. All IAR filings will be made via the IARD.

The CCO shall maintain all registration records for each IAR, including copies of Form U-4 and U-5, employment applications, and correspondence. Registration records may be retained electronically with FINRA-provided secure credentials, which are required to access records.

The employee applicant may not provide investment advice to any client until he or she has received notice from the CCO that he or she has been granted an IAR registration status (license) from the appropriate regulatory authority or there is an available exception from the appropriate regulatory authority.

8.10 Registration Amendments

Each IAR must notify the CCO if any information required by Form U-4 becomes materially inaccurate. Depending on the information updated, an amendment to Form U-4 may be required. If such an amendment is required, it will be the responsibility of the IAR to amend the form and promptly send to the CCO, who will file such amendment with the appropriate jurisdiction. IARs will be required to annually certify as to the accuracy of their Forms U-4 and disclosure questions.

8.11 Registration Processes and Procedures

The registration process is a multi-step procedure that must be completed before the firm's personnel may conduct certain business activities, such as engaging in initial meetings. While the firm's CCO is responsible for coordinating the registration process, it is the individual employee's duty, within a timely fashion, to complete the necessary paperwork and submit it to the CCO or designee as well as to schedule and take any of the necessary licensing exams. Registration candidates must complete FINRA's Form U-4: Uniform Application for Securities Industry Registration or Transfer at the time of hire. The completed Form U-4 must be submitted in a timely fashion to the CCO or designee, along with a completed FINRA-approved fingerprint card as applicable per state regulations. The CCO or designee will, upon submission of both the Form U-4 and the fingerprint card, verify that all required disclosures have been made and enter the registration candidate's information into the FINRA Web Central Registration Depository System ("Web CRD System"). The CCO or designee will monitor the Web CRD System and appropriately address any requests for additional information or additional fingerprint cards, as well as any deficiency notices or Justice Department reports generated in response to the information submitted on behalf of all employees of the firm.

Once the registration request has been successfully submitted through the Web CRD System, the registration candidate can schedule the required licensing exams. All investment adviser representatives of the firm, if not already licensed, must take and either pass the Series 65 exam or receive a waiver from the state. The employee's supervisor is directly responsible for ensuring that the employee does not perform client work outside of that which could be considered administrative in nature until he or she has completed the registration process and passed the licensing exams.

The CCO or designee will communicate information about the licensing exams to the newly hired employee, provide study materials, and monitor completion of the exams. If an employee fails an exam, the CCO or designee will communicate this information to the employee's supervisor and will work with the employee to establish a new exam window. Once the Web CRD System shows that an employee has passed the required exams, the CCO or designee will monitor the employee's status as an investment advisor representative, ascertain whether and in what states he or she is registered, and communicate this information to the employee's supervisor.

8.12 Parking Registrations

The firm does not permit individuals who are not employed by the firm to "park" their licenses under the firm's investment advisor registration. In addition, licenses are retained only for employees of the firm when the employee's business activities require registration. The firm may, however, maintain registration for legal, compliance, or other non-sales employees as permitted under the rules. The CCO monitors this on a continual basis.

8.13 Required Disclosures

Employees are required to immediately notify their supervisor and the CCO if they become the subject of any of the following types of actions:

- Arrest, arraignment, indictment, or conviction for any felony-class criminal offense, whether pleading not guilty, no contest, or guilty

- Any investigation, disciplinary action, formal complaint, or proceeding initiated by any regulator or professional organization (bar association, etc.)
- Any temporary or permanent injunction by any state or federal court that bars him or her from engaging in any conduct relating to securities, commodities, insurance, or banking matters
- Bankruptcy
- Client complaint

The CCO is responsible for determining whether an amendment must be made to an employee's Form U-4 after learning about disciplinary or complaint matters reported voluntarily at any time by an employee, disclosed on the firm's Policies Certification (see Appendix A), or learned through any other avenue. If an amendment is required, the CCO will, as necessary, work with the employee, his or her immediate supervisor, and/or other appropriate parties to file the amended Form U-4.

Employees may become subject to disciplinary action for failing to timely report that they are subject to any of the above-referenced actions. Additionally, employees may be subjected to disciplinary action if the nature and severity of the reported incident so warrants. Disciplinary action may include the imposition of special supervision or termination of employment.

In addition, IARs must complete an amended Form U-4 whenever significant personal or professional information changes. Changes that must be reported immediately include but are not limited to the following:

- Name change
- Address change
- Addition or loss of professional designations (CPA, CFP, ChFC, PFS, CFA, CIC)
- Commencement or completion of outside activities
- Initiation or resolution of any regulatory or legal disciplinary actions

IARs are required to disclose any potential conflict in rendering investment services to clients or to a particular client (e.g., spouse sits on the board of a money management firm that may be recommended to a particular client). IARs should be aware that simply providing disclosure of the firm's ADV Part 2 and Brochure and Brochure Supplement may not be enough. Facts and circumstances may warrant additional specific disclosure.

8.14 Heightened Supervision/Hiring Procedures

The CCO/designee shall determine whether, based on the results of the background investigation, it is necessary to develop and implement special supervisory procedures tailored to an applicant, or whether its existing supervisory procedures and educational programs are sufficient. The CCO/designee shall document any special supervisory procedures that the firm may adopt. Such procedures may involve more frequent email monitoring (daily or weekly based on what is deemed necessary), prior approval of all orders and correspondence, phone recordings, enhanced supervisory review of the registered representative's activities (this may include weekly or monthly branch visits if necessary), limitations and/or restrictions on the types of products utilized, use of leverage and such other actions that the supervisor deems appropriate in light of the registered representative's history. Factors that may influence the need for heightened supervision may involve instances of tax liens, credit compromises, patterns of financial irresponsibility that lead to bankruptcy, U4 disclosure record (generally three or more customer complaints), SRO administrative proceedings, court proceedings, and

such other events the supervisor deems relevant. The frequency of such reviews will be determined based upon the recommended heightened supervision plan. For instance, prior approval of orders requires an "as, if, entered" approach. More frequent email monitoring could be weekly, bi-monthly, or monthly as determined by the supervisor in light of the assessment made. Such plan will be documented and provided to the employee and applicable operational and supervisory personnel for implementation.

8.15 Certifications

Applicable employees, at the time of hire and annually thereafter, are required to certify their receipt and understanding of the various policies and procedures incorporated in the firm's COPM and its Appendices including, but not limited to, the firm's Insider Trading Policy Memorandum, Code of Ethics, and Outside Business Activities policy.

The Manager shall inform the Compliance Department upon the hiring of any new employee. The Compliance Department will provide the new employee with a Compliance Document Packet that includes the firm's COPM as well as the following forms for the employee's completion:

- Initial and Annual Policies Certification
- Initial Holdings Report Certification and Disclosure
- Code of Ethics and Insider Trading Certification
- Outside Business Activities Disclosure

These forms are also redistributed to all employees annually.

The CCO is responsible for tracking receipt of and reviewing fully each employee's completed Policies Certification for disciplinary actions, outside business activities, among other things. The CCO will determine whether what is reported on the firm's Policies Certification gives rise to the need to complete and submit an amended Form U-4.

8.16 NASAA IAR Continuing Education ("IAR CE") Program

The North American Securities Administrators Association ("NASAA") announced on November 30, 2020, that its membership voted to adopt a model rule to set parameters by which NASAA members could implement continuing education programs for investment adviser representatives in their jurisdictions. The model rule has a products and practices component and an ethics component and is intended to be compatible with other continuing education programs.

The model rule represents the culmination of years of work by state securities regulators and industry to develop a relevant and responsive continuing education program that helps to promote heightened regulatory compliance while also helping investment adviser representatives better serve their clients by remaining knowledgeable of current regulatory requirements and best practices.

8.16.1 Model Rule - IAR CE Credit Requirements and How to Satisfy Them

8.16.1.1 IAR CE

The rule applies to both state-registered and federally covered IARs. Each reporting period (12-month calendar year), IARs must complete 12 credits of CE through courses offered by an Authorized Provider.

- 6 credits must be IAR regulatory and ethics content, 3 of which must cover ethics.
- 6 credits must be IAR products and practice content.

*A "**credit**" is defined as at least 50 minutes of educational instruction.

8.16.1.2 Agent of FINRA-Registered Broker-Dealer Compliance

IARs who are also registered agents of a FINRA BD may report 6 Credits of Products and Practices content toward IAR CE if their FINRA CE meets the below criteria:

- Focuses on compliance, regulatory, ethical, and sales practices standards.
- Is based on state and federal IA statutes, rules and regulations, securities industry rules and regulations, accepted standards and practices in financial service industry.
- Has participants show proficiency in course topics (i.e., pass an exam)

8.16.1.3 Credentialing Organization CE Compliance

IARs who hold any of five credentials that can waive the Series 65 or 66 (CFP, ChFC, PFS, CFA, CIC) may report 12 credits toward IAR CE if their credential's CE meets the below criteria:

- The CE credits are completed to maintain the credential for the relevant reporting period.
- The CE credits are mandatory to maintain the credential.
- The content is approved to be IAR CE content by Prometric and the NASAA team.

8.16.2 Course Requirements

- There are no mandatory courses – the program is designed to be flexible and work with other CE programs. So long as model rule criteria are met, IARs can choose any authorized courses that interest them.
- Each course must have a 10+ question assessment, which participants are given unlimited attempts to pass at 100%**. Exception** for courses approved by one of the 5 professional designations that waive the Series 65 or 66: CFP, ChFC, PFS, CFA, CIC. For such courses, passing rate must be at least 70% with no more than 3 attempts.
- Approved correspondence courses, self-study courses, and FINRA Regulatory Element Continuing Education can count toward IAR CE requirements.
- Courses cannot be duplicated unless the course changes (given new course number).

8.16.3 Deadlines

- 12 credits per year are required to keep IAR registration.

- Course providers must report completed credits to FINRA by end of the calendar year. IARs are responsible for ensuring providers do so and can track progress through FINRA's FinPro system.
- To create a FinPro account, register at https://www.finra.org/registration-exams-ce/finpro.
- A guide to creating an account can also be found on the FinPro web page.
- IARs who fail to complete their CE requirements before the end of a reporting period will renew as "CE Inactive" in their state(s) until they complete/report all IAR CE credits. An IAR who is "CE Inactive" into the next year cannot renew their IAR registration.
- New IARs must meet requirements by the end of the first full calendar year following first registered year.
- Credits cannot be applied to future reporting periods – no working ahead.

8.16.4 Jurisdictions Adopting Model Rule

Refer to NASAA's web page for current list of states that have adopted CE Model Rule:

https://www.nasaa.org/industry-resources/investment-advisers/investment-adviser-representative-continuing-education/member-adoption/

IARs must satisfy CE requirements of all jurisdictions in which they are registered (i.e., if some states develop their own IAR CE requirements instead of the Model Rule, or do not adopt any rule).

8.16.4 Authorized Providers/Vendors

Prometric, LLC is the IAR CE program's course management vendor. Prometric is a global leader in test development, testing delivery, and candidate services. They will review and approve providers and courses for the IAR CE program. Firms and states can apply to Prometric for approval to teach CE to RRs and IARs. Note that just because a provider is approved, courses they offer are not necessarily approved content for the IAR CE.

For a current list of approved providers, refer to https://www.nasaa.org/industry-resources/approved-iar-ce-providers/

8.17 Annual Compliance Meeting

In keeping with the firm's internal policy, applicable employees of the firm are required to attend an annual compliance meeting ("annual meeting"). The annual meeting serves, in part, as a review session in which compliance issues relevant to the firm's business are discussed with all applicable employees. Attendance is mandatory for all applicable employees and partners and will therefore be monitored.

8.18 Termination of Employment

Whenever an IAR tenders his or her resignation or when employment is terminated for any other reason, notice of the employee's separation from the firm must be provided first to the Manager and the CCO or designee.

Notification to the CCO or designee must include the following information:

- Name of the terminated individual

- Indication as to the type of termination (voluntary, deceased, permitted to resign, discharged, or other)
- An explanation as to the reasons for termination if the termination is not voluntary or the employee is deceased
- Effective date of the termination
- Information regarding any compliance and/or legal problems associated with the employee known at the time of termination, even if those problems are not directly related to the employee's termination. Information that must be reported includes, but is not limited to, the following:
    - The existence of a client complaint involving the employee
    - Allegations and/or findings of regulatory violations
    - Criminal indictments and/or convictions
    - Evidence of material misrepresentation or fraud

The CCO or designee will use the above-listed information to complete and file a Form U-5: Uniform Termination Notice for Securities Industry Registration (Form U-5) for each registered individual terminating his or her employment with the firm. Per FINRA regulations, Form U-5 will be completed and filed within 30 days of the effective date of termination. A copy of the completed and filed Form U-5 will be forwarded to the employee at the same time that a copy is submitted electronically to FINRA via the Web CRD System. Additional copies of Form U-5 will be retained in the general employee files as well as in the individual employee's files.

All post-termination inquiries made by the former employee, any potential employers, and/or any of the regulatory agencies regarding the employee must be directed to the CCO and/or the Manager. Details regarding an employee's departure should not be given to clients or anyone else outside of the firm without authorization by the CCO or alternate compliance officer. In addition, employees of the firm are asked to refrain from engaging in speculation regarding the employee's departure. Supervisors should instruct the firm's employees to limit discussion about an employee's departure to a simple statement confirming that the terminated employee is no longer with the firm.

Supervisors are responsible for retrieving all of the firm's property from terminated employees and delivering to the applicable supervisory professional, including the following:

- office keys
- company calling and credit cards
- computer equipment
- computer files, discs, or CDs
- client files

The employee's supervisor or designee is responsible for reassigning the terminated employee's client relationships and projects.

9. Fiduciary Standards, Retirement Investors, and ERISA Matters

Fiduciary Standards, Retirement Investors, and ERISA Matters	
Responsibility	CCO
Resources	Client Records, Contracts, Agreements Finance and Accounting Records Electronic Records Marketing Department Records Disclosure Statement Files Corporate Records Form ADV and Applicable Schedules Communications with the Public Complaints
Action	Client Records, Contracts, Agreements, Electronic Records
Frequency	As required
Record	Physical and electronic files

9.1 The Firm's Advisory Personnel as Fiduciaries

Generally, personnel of the firm who perform investment advisory services for the firm's clients act as fiduciaries for those clients. As fiduciaries, their responsibilities are governed by the applicable state's Securities Act, the rules of the SEC, and state law, and in some cases the Employee Retirement Income Security Act of 1974 ("ERISA") (as explained below).

Fiduciaries are held to a standard of conduct beyond that applicable to ordinary commercial dealings. As a fiduciary, an investment advisor owes clients a high duty of care and of undivided loyalty. These obligations require the firm's advisory personnel to act prudently and solely in the best interests of advisory clients and to make full, fair, and non-misleading disclosure to such clients of the following:

- All material facts concerning the firm
- The backgrounds of those rendering the firm's investment advisory services
- The nature of the advisory services rendered by the firm
- The costs of such services
- Conflicts of interest to which the firm may be subject

The firm can usually satisfy its disclosure obligations to clients by providing clients with the firm's disclosure statement (Brochure). Further disclosure, however, may be required under certain circumstances (e.g., if a potential conflict of interest is presented in connection with a particular professional or advisory engagement that is not otherwise disclosed in the firm's disclosure Brochure. For example, an investment advisor representative may have a close relationship with an individual who sits on the Board of Directors for a particular public company. Disclosure should be provided to the Chief Compliance Officer to see what, if any,

additional disclosure might be necessary.) Questions in this regard should be directed to the CCO.

Breach of an investment advisor's fiduciary duty to a client may constitute "fraud." In the context of investment advisory engagements of the kind undertaken by the firm, federal and/or state laws impose the following duties on the firm's personnel who are involved in formulating and providing investment advice to clients:

- Duty of full disclosure to the client. Particular attention should be paid to disclosure of actual or potential conflicts of interest; for example, failure to disclose to a client that the firm provides management services to a fund in which the firm or its related persons act as general partner, or that the firm also has arrangements with a third party such as another investment advisor, could be viewed as a material omission.
- Duty of undivided loyalty to the interests of the client.
- Duty to have a reasonable, independent basis for the investment advice given to a client.
- Duty where personal advice is given to (i) make a thorough inquiry into the client's financial resources and needs, goals and objectives, investment experience, tolerance for risk, and any investment guidelines, restrictions, or limitations that the client may wish to observe in making investments (i.e., into the client's client circumstances); and (ii) render only advice that, in light of the client's circumstances, is suitable for the client. There is no duty, however, to make such an inquiry or to give only suitable advice when impersonal advice is given.
- Duty of confidentiality, except to the extent the client has otherwise agreed in writing.

9.2 ERISA Fiduciary Standards

The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for most voluntarily established retirement and health plans in private industry to provide protection for individuals in these plans.

ERISA requires plans to provide participants with plan information including important information about plan features and funding; provides fiduciary responsibilities for those who manage and control plan assets; requires plans to establish a grievance and appeals process for participants to get benefits from their plans; and gives participants the right to sue for benefits and breaches of fiduciary duty.

In general, ERISA does not cover group health plans established or maintained by governmental entities, churches for their employees, or plans which are maintained solely to comply with applicable workers compensation, unemployment, or disability laws. ERISA also does not cover plans maintained outside the United States primarily for the benefit of nonresident aliens or unfunded excess benefit plans.

9.3 Prohibited Transactions

Section 406(a) of the Employee Retirement Income Security Act of 1974 ("ERISA") broadly prohibits plan fiduciaries from causing a plan to enter into either a direct or an indirect transaction involving the plan or its assets that have the potential for conflicts of interest. Two general types of transactions are prohibited: transactions with "parties in interest[1]" and

[1] "Party in interest" is a defined term under ERISA. See Section 406(a)(1) of ERISA.

"fiduciary self-dealing transactions." Certain exemptions apply and can be statutory or granted by the United States Department of Labor either on a class or individual basis.

Absent a specific exemption, the "party in interest" prohibited transactions include the following:

- Any sale, exchange, or leasing of any property between a plan and a party in interest
- Lending money or extending credit by a plan to a party in interest
- Furnishing goods, services, or facilities by a plan to a party in interest or by a party in interest to a plan
- Any transfer to, or use by or for the benefit of, a party in interest, of any assets of a plan
- Causing a plan to acquire and to retain employer securities or employer real property in violation of ERISA § 407(a)

In addition, plan fiduciaries are prohibited from engaging in the following types of self-dealing transactions:

- Dealing with plan assets in the fiduciary's own interest
- Acting in a transaction involving a plan on behalf of a person whose interests are adverse to the interests of the plan, its participants or beneficiaries
- Receiving any consideration for the fiduciary's own personal account from any party dealing with the plan in connection with a transaction involving the plan's assets

Fiduciaries who cause a plan to violate ERISA's prohibited transaction rules have also breached their fiduciary duties to the plan and may be held personally liable for any losses caused to the plan as a result of their breach. In addition, ERISA's other enforcement provisions may apply (e.g., the fiduciary may be barred from acting as an ERISA fiduciary in the future).

9.4 Bonding Requirements

9.4.1 Background

With limited exceptions, an investment adviser that exercises investment discretion over ERISA "plan" assets must obtain a fiduciary bond to protect the plan against loss by reason of acts of fraud or dishonesty by the adviser. This only applies to "employee benefit plans," "employee welfare benefit plans," or "employee pension benefit plans" as defined in ERISA.

ERISA requires that a bond be obtained for 10% of each plan's assets under management subject to a maximum limit per plan of $500,000 and a minimum bond amount of $1,000 per plan. Alternatively, a blanket bond, which is a bond that covers all plans the firm manages, can be obtained. The firm must notify the insurance carrier of all new plan engagements or terminations, so that all plans for which the firm is engaged to provide services are covered under the bond. In certain instances, the firm may be able to fulfill its bonding requirement by obtaining an "agent's rider" to the plan's current bond policy.

9.4.2 Plans that Require a Bond

Examples of the types of plans that are subject to ERISA and require a fiduciary to be bonded per Section 412 of ERISA:

- Defined benefit pension plans, money purchase pension plans, profit sharing plans, 401(k) plans, stock bonus plans, employee stock ownership plans (ESOPs), and Keogh or H.R. 10 plans that have employee participants

- Employer-sponsored welfare plan trust funds exempt from federal income tax under Internal Revenue Code Section 501(c) (9) (VEBAs)
- Employer-sponsored simplified employee pension (SEP) plans and group IRAs that are sponsored by an employer (whose participants are not limited solely to owners and their spouses)
- Union-sponsored plans of the types listed above
- Plans established under IRS Code Section 457 that provide deferred compensation arrangements for employees of certain non-government tax exempt organizations
- Employer-sponsored deferred compensation plans not qualified for federal income tax exemption, including "secular" trusts, Section 402 (b) trusts, and funded excess benefit plans
- Plans established under IRS Code 403(b) that are employee benefit plans under ERISA either because the employer contributes to the program or because the employer has more than limited involvement in administration of the program

9.5 ERISA 408(b)2 Disclosure Obligations

At the onset of any client relationship, the firm must provide a copy of the ADV Part 2A (Firm Brochure), Privacy Notice, and 408(b)(2) Notice (attached as Appendix B to this manual). The firm shall provide disclosure to client including, among other things, fee information and any potential conflicts of interest the firm has in providing investment advice to the plan. Such disclosures are generally memorialized in the firm's 2A brochure and 408(b)2 disclosure documents. Nonetheless, there could be client-specific or point-of-sale disclosures not otherwise contemplated or covered in the 2A. If further guidance is needed, please consult the CCO.

Under ERISA 408(b)(2) and accompanying regulations, "covered service providers" to ERISA retirement plans must initially disclose in writing to the responsible plan fiduciary i) their status as a fiduciary and investment adviser registered under the Advisers Act or state law, and ii) all direct and indirect compensation. This requirement includes a description of any compensation paid among the covered services providers, affiliates, sub-contractors in connection with the advisory services including referral fees (the "408 Notice"). The 408 Notice must be provided in advance of the contract being entered into or renewed.

Currently, there are no specific format requirements for these disclosures, and these disclosures can be made in multiple documents (for example, in the service agreement between the plan and the investment adviser and in the investment adviser's Form ADV Part 2A Disclosure Brochure).

The firm will ensure that its compensation is fully disclosed to the responsible plan fiduciary. The firm will immediately notify any plan of any proposed change to its previous 408 Notice in accordance with its written agreement and DOL guidance.

Note: The firm does not recommend proprietary products, does not receive indirect compensation for advisory services provided to ERISA plans, and is solely compensated through investment advisory fees as disclosed in its ADV Part 2A Brochure.

The firm should be mindful of the requirements to update any initial or subsequent 408(b)(2) notice prior to increasing its fees or indirect compensation.

9.6 ERISA Fiduciary Rule - PTE 2020-2 Guidance

Note: The Rule was vacated by a federal court in July 2024. This policy is paused until such time that the Rule is re-implemented by the courts.

9.6.1 Definition of Fiduciary Investment Advice

Under ERISA's statutory text, a firm or investment professional provides fiduciary investment advice to the extent he or she "renders investment advice for a fee or other compensation, direct or indirect, with respect to any money or other property of such plan, or has any authority or responsibility to do so."

In 1975, the Department issued a regulation that adopted a five-part test for determining when recommendations count as investment advice. Under this 1975 regulation, the person making the recommendation must:

1. Render advice to the plan, plan fiduciary, or IRA owner 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, that
4. The advice will serve as a primary basis for investment decisions with respect to plan or IRA assets, and that
5. The advice will be individualized based on the particular needs of the plan or IRA.

All parts of the 1975 test must be satisfied for a firm or investment professional to be an investment advice fiduciary when making a recommendation.

A single, discrete instance of advice to roll over assets from an employee benefit plan to an IRA would not meet the regular basis prong of the 1975 test. However, advice to roll over plan assets can also occur as part of an ongoing relationship or as the beginning of an intended future ongoing relationship that an individual has with an investment advice provider. When the investment advice provider has been giving advice to the individual about investing in, purchasing, or selling securities or other financial instruments through tax-advantaged retirement vehicles subject to ERISA or the Code, the advice to roll assets out of the employee benefit plan is part of an ongoing advice relationship that satisfies the regular basis prong. Similarly, when the investment advice provider has not previously provided advice but expects to regularly make investment recommendations regarding the IRA as part of an ongoing relationship, the advice to roll assets out of an employee benefit plan into an IRA would be the start of an advice relationship that satisfies the regular basis requirement. The 1975 test extends to the entire advice relationship and does not exclude the first instance of advice, such as a recommendation to roll plan assets to an IRA, in an ongoing advice relationship.

9.6.2 Who is Subject to the New Requirements?

PTE 2020-02 conditions prohibited transaction relief on financial institutions (SEC- and state-registered investment advisers, broker-dealers, banks, and insurance companies) and their investment professionals (employees, agents, and representatives) providing advice in accordance with the Impartial Conduct Standards. Financial institutions must also acknowledge in writing their and their investment professionals' fiduciary status under Title I of ERISA and the Internal Revenue Code, as applicable, when providing investment advice to

the retirement investor, and they must describe in writing the services to be provided and the financial institutions' and investment professionals' material conflicts of interest. Financial institutions must document the reasons that a rollover recommendation is in the best interest of the retirement investor and provide that documentation to the retirement investor. Financial institutions must adopt policies and procedures prudently designed to ensure compliance with the Impartial Conduct Standards and that mitigate conflicts of interest, and must conduct retrospective review of compliance at least annually. The firm's CCO conducts these retrospective reviews on a quarterly basis.

9.6.3 Specific DOL Requirements

To ensure that financial institutions provide reasonable oversight of investment professionals and adopt a culture of compliance, financial institutions and investment professionals will be ineligible to rely on the exemption if, within the previous 10 years, they were convicted of certain crimes arising out of their provision of investment advice to retirement investors. They will also be ineligible if they engaged in systematic or intentional violation of the exemption's conditions or provided materially misleading information to the Department in relation to their conduct under the exemption.

Financial institutions and investment professionals must consider and document their 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; and
- the different levels of services and investments available under the plan and the IRA.

When considering the alternatives to a rollover, the financial institution and investment professional 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, investment professionals and financial institutions should 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 as a result of Department regulations mandating disclosure of plan-related information to the plan's participants (*see* 29 CFR 2550.404a-5). 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, the financial institution and investment professional should make a reasonable estimation of expenses, asset values, risk, and returns based on publicly available information. The financial institution and investment professional should document and explain the assumptions used and their limitations. In such cases, the financial institution and

investment professional 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.

9.6.4 DOL's Focus on Conflicts of Interest

Financial institutions intending to rely on PTE 2020-02 must identify and carefully focus on the conflicts of interest associated with their business models and practices that create incentives for the financial institution or investment professional to place their interests ahead of the retirement investor's interest. Financial institutions' policies and procedures must be prudently designed to, among other things, protect retirement investors from recommendations to make excessive trades, to buy investment products, annuities, or riders that are not in the investor's best interest, or to allocate excessive amounts to illiquid or risky investments. The policies and procedures should themselves be reviewed and updated to ensure they stay effective and up to date.

Under the exemption's mitigation standard, it is important that financial institutions eliminate or mitigate incentives that are misaligned with the interests of their customers and that they adopt and implement effective oversight structures. In determining whether the exemption's standard for policies and procedures is met, the Department examines the financial institution's conflict mitigation and supervisory oversight as a whole. The conflict mitigation requirement in the policies and procedures condition is not limited to conflicts of investment professionals and extends to the financial institution's own interests, including interests in proprietary products and limited menus of investment options that generate third party payments (e.g., revenue sharing arrangements). As the Department stated in the preamble of PTE 2020-02, financial institutions must comply with the standards of the exemption to obtain relief from the prohibited transaction rules. There is no safe harbor based solely on compliance with other regulators' standards.

Investment professional conflicts. Financial institutions must take special care in developing and monitoring compensation systems to ensure that their investment professionals satisfy the fundamental obligation to provide advice that is in the retirement investor's best interest. By carefully designing their compensation structures, financial institutions can avoid incentive structures that a reasonable person would view as creating incentives for investment professionals to place their interests ahead of the interest of the retirement investor. Accordingly, financial institutions must be careful not to use quotas, bonuses, prizes, or performance standards as incentives that a reasonable person would conclude are likely to encourage investment professionals to make recommendations that are not in retirement investors' best interest. The financial institution should aim to eliminate such conflicts to the extent possible, not create them.

The Department recognizes that firms cannot eliminate all conflicts of interest, however, and the exemption accordingly stresses the importance of mitigating such conflicts. For example, a firm could ensure level compensation for recommendations to invest in assets that fall within reasonably defined investment categories (e.g., mutual funds), and exercise heightened supervision as between investment categories (e.g., between mutual funds and fixed annuities) to the extent that it is not possible for the institution to eliminate conflicts of interest between these categories. As much as possible, firms should carefully design differences in compensation between categories to avoid incentives that place the interest of the firm or investment professional ahead of the financial interests of the customer. Under this approach, financial institutions would avoid compensation that is likely to incentivize investment professionals to recommend one investment product over another comparable product based on the greater compensation to them or their financial institutions.

9.6.5 Use of Payout Grids – To the Extent Utilized by the Firm

If a financial institution wants to determine investment professional compensation through a payout grid, it should consider the following factors in developing its approach.

- Financial institutions should carefully review the amounts used as the basis for calculating investment professionals' compensation to avoid simply passing along firm-level conflicts to their investment professionals. If, for example, investment professionals are paid a fixed percentage of the commission generated for the financial institution, this may transmit firm-level conflicts to the investment professional, who is effectively rewarded for preferentially recommending those investments that generate the greatest compensation for the firm. The overarching goal should be to avoid incentive structures that encourage investment professionals to make recommendations inconsistent with the Impartial Conduct Standards. Accordingly, firms should work to align the interests of their investment professionals and retirement investors, and to root out misaligned incentives to the extent possible.
- Grids with one or several modest or gradual increases are less likely to create impermissible incentives than grids characterized by large increases. Firms should be very careful about structures that disproportionately increase compensation at specified thresholds. These structures can undermine the best interest standard and create incentives for investment professionals to make recommendations based on their own financial interest, rather than the retirement investor's interest in sound advice.
- As the investment professional reaches a threshold on the grid, any resulting increase in compensation rate should generally be prospective – the new rate should apply only to new investments made once the threshold is reached. If the consequence of reaching a threshold is not only a higher compensation rate for new transactions, but also retroactive application of an increased rate of pay for past investments, the grid is likely to create acute conflicts of interest. Retroactivity magnifies the investment professional's conflict of interest with respect to investment recommendations and increases the incentive to make the sales necessary to cross the threshold regardless of the investor's interest. The danger is particularly great when the sales necessary to cross the threshold would generate compensation for the investment professional that are disproportionate to the compensation the professional would normally receive for recommendations that are not at the threshold.
- As discussed in Q16, financial institutions employing escalating grids should establish a system to monitor and supervise investment professional recommendations, both at or near compensation thresholds and at a greater distance. Financial institutions should ensure that the thresholds do not create undue sales incentives. Aggressive thresholds can create incentives to make investment recommendations that are contrary to the retirement investor's interest.

Financial institutions should carefully assess their compensation practices for potential conflicts of interest and work to avoid structures that undermine investment professionals' incentives to comply with the best interest standard. To be prudent and loyal, fiduciaries should design compensation structures that minimize the dangers associated with conflicts of interest, as opposed to designing structures that create or reinforce conflicts of interest that run contrary to the interests of the investor.

9.6.6 Policies and Procedures

Financial institutions' policies and procedures must also include supervisory oversight of investment recommendations, particularly in areas in which differential compensation remains. In addition, financial institutions' policies and procedures could provide for increased 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, such as proprietary products and principal-traded assets. However, in many circumstances, supervisory oversight is not an effective substitute for meaningful mitigation or elimination of dangerous compensation incentives.

Financial institution conflicts. Financial institutions' policies and procedures also should address and mitigate financial institutions' own conflicts of interest, including by establishing or enhancing the review process for determining which investment products may be recommended to retirement investors. This review process should include procedures for identifying and mitigating the financial institutions' conflicts of interest associated with investment products or, alternatively, declining to recommend a product if the financial institution cannot effectively mitigate associated conflicts of interest sufficiently to promote compliance with the Impartial Conduct Standards.

At or prior to recommending a rollover from a qualified plan to an IRA rollover, the firm's representative shall present and discuss the available options to the client and shall deliver a written communication to the client substantively in the form attached as Appendix C. This form will need to be customized for each client and must include an analysis taking into account the difference in fees in the pre and post rollover environment, the available investment options available to the client, as well as any additional monitoring, performance reporting, etc., performed by the firm. A copy of such form shall be maintained in the client file for 5 years from the date of issuance.

All investment advice to individual retirement account holders must comply with the following impartial conduct standard provisions:

- Give advice that is in the "best interest" of the retirement investor. This best interest standard has two chief components: care and loyalty.
    - Under the care obligation, a financial professional must investigate and evaluate investments, provide advice, and exercise sound judgment in the same way that knowledgeable and impartial professionals would in similar circumstances.
    - Under the loyalty obligation, advice providers 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."
- Make no misleading statements about investment transactions and other relevant matters.

In addition, the retirement investor must be informed of the following options to the extent they apply to the client:

- Assuming it is permitted by the plan, client can leave their money in their current plan.
- If the client has changed employers, client can roll their assets into the new employer's plan, if permissible by their new employer.

- The client can establish an IRA R/O and place it into a commission-based account at a broker-dealer.
- The client can establish an IRA R/O and place it into a fee-based advisory account.
- The client can withdraw their retirement money and pay the taxes and any applicable penalties.

Periodically, the CCO or designee shall monitor the (i) compensation structure of its employees, (ii) fees charged to clients for its investment strategies and services, and (iii) generally the conflicts of interest and how such conflicts may impair the firm's ability to comply with the Impartial Conducts Standards. To the extent conflicts of interest exist that may affect the retirement investor, the firm shall take appropriate steps to address or mitigate the conflict.

The firm's CCO shall conduct quarterly compliance testing on its retirement accounts to ensure compliance with the procedures. The certification shall be dated, time stamped, and archived within the firm's CRM system, Junxure, for a period of not less than six years. The firm's compliance consultant will test annually to ensure the certifications are signed and archived.

10. Investment Advisory Contracts, Disclosure Statement Procedures

Investment Advisory Contracts and Disclosure Statement Procedures	
Responsibility	CCO IARs
Resources	Client Records, Contracts, Agreements Finance and Accounting Records Electronic Records Marketing Department Records Disclosure Statement Files Form ADV and Applicable Schedules Communications with the Public Complaints
Action	Obtain client signature; review at least annually or as required to ensure current business model and regulatory requirements are properly reflected in the contract
Frequency	Daily or as required
Record	Physical and electronic files

10.1 Purpose

This section sets forth the firm's procedures for preparing client investment advisory contract and maintaining and delivering the required disclosure document(s) (Brochure), and describes what constitutes custody of client assets under the provisions of state and federal law.

10.2 Client Investment Advisory Contracts

Each investment advisory relationship entered into by the firm must be supported by a separate investment advisory contract executed by the client in their legal capacity. Where a proposed client is affiliated with or related to an existing investment advisory client, a separate advisory contract must be executed by the proposed client.

In the case of "Personal Advice" (namely advice that takes into account the individual financial circumstances and objectives of the client), while the length and content of the advisory contract will depend on the nature of the proposed engagement, the client's familiarity with the firm's services, and other factors, such contracts should be responsive to the client's stated goals and objectives and should specifically identify the following:

- The advisory services to be performed under the supervision of the firm
- The "deliverables" to be provided to the client
- The ongoing monitoring, reporting, or other functions to be provided by the firm's personnel, their frequency, and—to the extent feasible—the sources of information to be used in preparing monitoring and other reports

- The amount of and method for payment of the firm's fees for the services to be rendered, including such separate items of expense as may be appropriate under the circumstances, including as an attachment a list of any client assets (or identification of the account where such assets reside) that are to be the subject of the firm's services and on the basis of which, in the case of percentage-of-assets fees, the firm will calculate its fees
- The frequency of such payments to the firm

The firm may not collect any fee from a client with respect to Personal Advice rendered during the period prior to formation of an advisory relationship with such client (i.e., before the time of execution and delivery of an advisory contract with such client), except as the CCO may otherwise approve upon receipt of satisfactory evidence of the execution and delivery of an advisory contract by the client and receipt by the client of the firm's applicable disclosure statement (Brochure and Brochure Supplement) prior to the date on which billing for the firm's services is to commence.

As required by applicable federal state and law, all of the firm's advisory contracts must provide that they may not be assigned without the consent of the client. The firm must state that, notwithstanding any limitation on the firm's liability under the contract, nothing in the contract constitutes or is to be construed as constituting a waiver by the client of rights conferred on the client by applicable federal and state law. In addition, the firm's advisory contracts should include standard limitations on the firm's liability and a provision for arbitration of disputes. Finally, each advisory contract contemplating the provision of Personal Advice should acknowledge receipt of the disclosures required to be made by the firm (discussed below).

The investment advisory contract generally outlines the nature of the services to be provided, the pricing (which should conform to the pricing schedule listed in the firm's Brochure), and the required disclosures to be made, along with the description of liability and assignment provisions.

It is suggested that the investment advisory contract be signed and returned by the client before performing the work, i.e., before establishing an investment policy statement, recommending a specific investment strategy, or assisting with custodian issues. The authorized individual for each legal entity representing a separate account registration must sign the firm's investment advisory contract. Copies of each advisory contract signed by the client and by an authorized officer of the firm must be maintained within the local office's client files and with the corporate office. The corporate office operations staff is responsible for ensuring, among other things, that billing records reflect the advisory fee agreed to in the client's signed investment advisory agreement, and client-signed authorized fee increases are properly reflected in the firm's billing records.

The investment advisor representative is responsible for overseeing and monitoring that the investment advisory contract is sent to the client and returned and properly signed by the client. In addition, the new account administrator or designee is responsible for sending the firm's Brochure, Brochure Supplement, and Privacy Statement to all potential clients. All original investment advisory contracts will be copied and maintained in the firm's client files.

10.2.1 Other Disclosures

Where applicable, the following additional disclosures should be considered as additions to the client investment advisory contract or related documents:

- If the firm is a partnership, notification to the client of any changes in membership of the partnership
- The degree to which the firm exercises discretionary control over client assets
- Limitations the firm may place on its services, such as only offering investment advice and money management services
- The existence of any investment guidelines or restrictions on the account
- The firm's use of affiliated service providers, including broker-dealers and the inherent conflicts of interest
- The firm's use of any sub-advisers
- How proxy voting responsibility is handled
- How investment opportunities are allocated between clients
- Whether securities orders will be bundled with those of other clients
- Whether the firm will buy, sell, or hold the same securities that are recommended to clients and the firm's procedures for avoiding conflicts of interest
- A statement that the firm's services are not exclusive

10.2.2 Material Changes to Investment Advisory Agreements

Any material changes to the investment advisory agreement – should those changes apply to current clients – require a client-signed amendment or new agreement. Material changes would involve an increase in fees, material change in services, change in billing methodologies, etc.

10.3 Electronic Signatures Policy

Note: These procedures apply with respect to the firm using the custodian's electronic signature platforms.

In order to facilitate the use of electronic signatures and ensure that the use of an electronic signature platform is appropriately utilized and monitored, the firm has adopted the following policies and procedures.

10.3.1 Electronic Signature Platform

An appropriate electronic signature platform will:

- Be compliant with applicable federal and state law governing electronic signatures
- Have an appropriate audit trail that tracks email addresses, unique transmission identifiers, and IP addresses, including:
    - Unique transmission identifier or control number
    - The identity of the sender
    - The identity of the signer(s) of the documents
    - A graphic representation of their signatures
    - The date and time stamp of when the document was sent, when it was viewed, and when it was signed
    - The IP address where each of the above actions took place

10.3.2 Documents Approved for Electronic Signatures

All custodian-required paperwork (i.e., custodian agreements, ACH instructions, and other custodian-required documentation) is eligible for client electronic signature on the custodian-sponsored electronic signature platform. The firm's advisory and financial planning agreements, contact information form, and client profile form are also eligible for client electronic signature through either the firm's or custodian's electronic signature platform.

10.3.3 Guidance for Document Revisions and Amendments

For custodian paperwork previously signed and accepted by the custodian, any changes or revisions to the documents are subject to the custodian's policy and require a new form with the revised information to be electronically signed by the client. For firm advisory agreement or financial planning agreement, changes or revisions are subject to the terms of the advisory and/or financial planning agreement. However, any fee increases require either a new agreement or a written amendment signed by the client.

A physical wet signature may be used at any time. There may be instances in which a client is asked or desires to e-sign documents at an in-person meeting. Although we do not prohibit such practice, reps are encouraged to remind their clients not to divulge or otherwise allow access to their login credentials. Such access is prohibited for any employees of the firm and could result in unintended consequences such as misappropriation, custody, particularly if the client uses common login instructions for a variety of platforms, including banking and brokerage.

10.3.4 Document Control

When a new version of a document is created, it must be approved by a principal of the firm. Upon approval, it will be distributed to the firm's operations administrator, who will void and archive old versions of the agreements and substitute with the new form of agreement and make available to all personnel.

10.3.5 Restrictions on the Use of Electronic Signature Platforms

Employees of the firm may only utilize the custodian or the firm-approved electronic signature platform.

10.3.6 Confirming Client Email Address

Prior to sending documents to client for electronic signature (e.g., to transfer money, sign amended agreement), the firm will confirm the client's email address. When a client changes their email address, the operations administrator shall promptly update the email address of record in the firm's CRM system and the custodian system and notify the rep and the rep's staff.

10.3.7 Unsigned Documents

The operations administrator monitors all unsigned documents on a periodic basis. In addition, the firm's operations administrator will reach out and remind either the rep or client, depending on whether the rep initiated the document via the firm's approved electronic email vendor or the firm's operations administrator. If the agreement remains unsigned for sixty (60) days, the operations administrator will void the document and request a new document or restrict the change requested in the document. Restrictions

may apply when certain forms of agreements are not signed, such as advisory or financial planning agreements.

10.3.8 Policy Exceptions

In the event a rep wishes to pursue a direct contractual arrangement with the firm's approved electronic email vendor, the firm's principal must grant prior approval after ensuring the rep will comply and affirm in writing the following:

- The rep will only use firm-approved email accounts.
- The rep will only use firm-approved documents.
- All custodian documents must be utilized and sent/received through the custodian's electronic email platform.
- The rep will only use documents authorized for electronic signature by the firm.
- The rep will provide full administrative access to the firm's operations and compliance staff.
- The rep will otherwise comply with policies and procedures outlined in the Electronic Communications section of this manual.

Approval by the firm's principal shall be recorded in writing and kept in the rep's personnel/compliance file. Upon approval, the operations administrator shall confirm its administrative privileges and monitor transactions pursuant to these policies and procedures.

10.4 Disclosure Documents and Procedures

The firm has prepared a Brochure and Brochure Supplement ("disclosure documents"), which make various disclosures concerning the firm's investment advisory services. The firm is required to amend its disclosure documents as necessary to keep the disclosures current. The firm is obligated to provide, or in some cases to offer to provide, its disclosure documents to clients as set forth below.

The firm must provide its disclosure documents to any client requesting a copy in writing. Delivery must be made to the requesting client within seven days of the client's request.

10.4.1 Responsibility

The firm is required to disclose information regarding its business practices to both regulators and members of the public. The CCO is responsible for ensuring that the firm meets all disclosure requirements required by applicable laws, rules, and regulations. The information and procedures contained within this section (and throughout this manual) should be used as a guide in determining what needs to be disclosed, how it is to be disclosed, and when it must be disclosed.

10.4.2 Brochure Rule

The Brochure and Brochure Supplement are subject to the Advisers Act Rule 204-3.

10.4.3 Client Copy

All clients must be furnished with a copy of the firm's Brochure together with a Brochure Supplement for each investment advisor representative responsible for formulating investment advice to clients.

10.4.4 Annual Delivery

On an annual basis (within 120 days of the firm's fiscal year end), if the firm has had any material changes, the firm must, at a minimum, provide a summary of the material changes and an offer to deliver its current Brochure without charge, or the firm must deliver a copy of its current disclosure Brochure. If the client requests a copy of the firm's disclosure documents, they must be mailed to the client within seven days. Delivery of the disclosure documents via email is permissible.

10.4.5 Disciplinary Disclosure

All material facts must be disclosed that relate to legal or disciplinary events that are material to the client's evaluation of the firm's integrity or ability to meet its contractual obligations, including the following. Disclosure should be made irrespective of the time period of the event. The firm must deliver the following to each client promptly after amending the Brochure and/or Brochure Supplement if the amendment adds disclosure of an event or materially revises information already disclosed about an event, in response to Item 9 of Part 2A of Form ADV or Item 3 of Part 2B of Form ADV (Disciplinary Information):

- The amended Brochure or Brochure Supplement, as applicable, along with a statement describing the material facts relating to the change in disciplinary information; or
- Simply a statement describing the material facts relating to the change in disciplinary information.

The following are disciplinary events that require disclosure:

- Court Proceedings (Criminal and Civil)
  - Whether the firm has been permanently or temporarily enjoined from engaging in investment-related activities
  - Whether the firm or any member of its senior management has been convicted of or has pleaded guilty or *no lo contendere* to a felony or misdemeanor involving an investment-related statute, fraud, making false statements, omissions, wrongful taking of property, bribery, forgery, counterfeiting, or extortion
- Regulatory Proceedings
  - Whether the firm or an associated person of the firm caused an investment-related business to lose its authorization to conduct business or was found to have violated a statute and was subject to an action denying, suspending, or revoking its ability to do business
  - Whether the firm or an associated person of the firm received a fine in excess of $2,500 in a self-regulatory proceeding

10.4.6 Financial Disclosure

Financial disclosure is required if the firm's financial position could reasonably impair the firm's ability to provide its investment advisory and financial planning services to clients as disclosed in the firm's disclosure documents.

The firm must disclose any facts or circumstances that might reasonably impact its ability to meet its contractual commitments to clients, where the firm:

- has discretionary authority or custody of client assets; or

- requires prepayment of fees of more than $1200, six months or more in advance. (The firm prohibits prepayment of fees of $1200 or more, six months or more in advance.)

10.4.7 Rule 3a-4 Disclosures

Investment Company Act of 1940 Rule 3a-4, Imposition of Constraints, and Changes to Investment Objectives

In order to avoid the potential of having to register as an investment company, it is important that certain disclosures be provided to an advisory client on a quarterly and annual basis to assure individualized treatment of the client's investment portfolio entrusted to the Firm. The following disclosures should be made on either the firm's ClientView web portal (which displays performance reports), quarterly billing invoice, or quarterly custodian account statement. One or a combination of these documents must incorporate the following disclosure:

> If you wish to modify or impose reasonable restrictions concerning the management of your account, or if your financial situation, investment objectives, or risk tolerance have changed, please contact your Exchange Capital Management investment advisor representative or contact the firm's CCO at 734-761-6500. We will contact you at least annually to determine if your investment goals, objectives, and risk tolerance have changed.
>
> We urge that you advise us immediately if you have not received your custodian or brokerage statement, which is required to be delivered to you no less frequently than quarterly. In addition, please compare any account information provided by us with account statements from your broker-dealer or custodian and to advise us of any discrepancies. The official record of your account is maintained by your broker-dealer or custodian. Thank you.

10.5 Fee Schedule

10.5.1 Disclosure

All material information regarding fees must be disclosed to the client (e.g., refund provisions, fee structure, etc.).

10.5.2 Amount

Compensation must be fair and reasonable. It is usually structured in terms of an annual fee representing a percentage of assets under management.

10.5.3 Promoter Arrangements

10.5.3.1 Where the Firm Uses a Promoter, Endorser, Solicitor, or Otherwise Utilizes a Testimonial Where Compensation Is $1,000 Or Greater

The firm may enter into arrangements with promoters, endorsers, solicitors, or with clients for testimonials (herein collectively referred to as "promoter") who will endorse the advisory firm for compensation. As a summary regarding the mandates of the SEC New Marketing Rule that regulate the conduct of third-party promoters, we note as follows the arrangement with the promoter the firm is required to adhere to:

- Agreements are required when compensation to the endorser is equal to or greater than $1,000. Each arrangement must be documented by a written agreement between the firm and the promoter that is compliant with the SEC Cash Referral Rule.
- The receipt of such compensation creates a conflict of interest in that the promoter is economically incented to endorse the firm.
- Each solicited client of the firm must be provided the firm's Client Relationship Summary (Form CRS), Form ADV Part 2A, and a promoter disclosure statement, as well as the Form ADV Part 2B of the registered investment adviser for which the firm is conducting promotional activity, that are compliant with the SEC Rule. The promoter disclosure statement must describe the fees the promoter receives from the firm, whether those fees represent an increase in fees that the firm would otherwise charge the client, and a statement concerning the conflict of interest. The promoter disclosure statement will be signed by the client and retained in the firm's records.
- For promoter agreements where compensation is not tied to the opening of an advisory relationship, the firm will need to obtain the client-signed one-page disclosure document. It is the firm's responsibility to create an internal process for doing so.
- The conduct of each third-party promoter is regulated by the state securities laws of the state in which the endorsement occurs. While some states have no registration requirements for third-party promoter, most states require a Series 65 or a Series 7 and Series 66 registration status. Moreover, some states also require the SEC-registered adviser to notice file in the state in which the endorsement activity occurs.

10.5.3.2 Where the Firm Uses a Promoter, Endorser, Solicitor, or Otherwise Utilizes a Testimonial Where Compensation Is Under $1,000

The firm may enter into arrangements with promoters, endorsers, solicitors, or with clients for testimonials (herein collectively referred to as "promoter") who will endorse the advisory firm. As a summary regarding the mandates of the SEC New Marketing Rule that regulate the conduct of third-party promoters, we note as follows the arrangement with the promoter the firm is required to adhere to:

- Agreements are not required when compensation to the promoter is less than $1,000 in either direct or indirect compensation or the promoter is affiliated with the firm.
- The firm must disclose whether a testimonial or endorsement was received from a client or non-client, and whether cash and/or non-cash compensation was received.

11. Client Relationship Summary ("Form CRS")

Form CRS Client Relationship Summary	
Responsibility	CCO IARs
Resources	Disclosure Statement Files Form ADV/Form BD and Applicable Schedules Communications with the Public
Action	Deliver upon client engagement and material changes
Frequency	As required
Record	Physical and electronic files

11.1 Introduction

On June 5, 2019, the Securities and Exchange Commission (the "Commission") adopted Form CRS and new rules, as well as amendments to its forms and rules, under both the Investment Advisers Act of 1940 ("Advisers Act") and the Securities Exchange Act of 1934 ("Exchange Act").

Beginning on June 30, 2020, the firm will provide retail investors[2] with a Client Relationship Summary. The Client Relationship Summary ("Form CRS") is required as new Part 3 of Form ADV and is in addition to the disclosures already required in Parts 1 and 2 of Form ADV (including the narrative brochure).

The Client Relationship Summary is intended to reduce retail investor confusion regarding the marketplace for brokerage and investment advisory services and help retail investors decide whether to engage, or continue to engage, a particular firm or type of financial professional. The Client Relationship Summary is intended to be a simple, easy-to-read summary regarding the nature of a client's relationship with the financial professional and must disclose:

- The types of client relationships and services being offered
- The fees, costs, conflicts of interest and standard of conduct associated with those relationships and services
- Whether the firm and its financial professionals currently have reportable legal or disciplinary history
- How to obtain additional information about the firm

Form CRS will be required in addition to the disclosures already required in Parts 1 and 2 of Form ADV. Delivery of Form ADV will be required at the beginning of a new client relationship

[2] *Retail Investor* – "A natural person, or the legal representative of such a natural person, who seeks to receive or receives services primarily for personal, family or household purposes." This definition excludes natural persons seeking investment services for commercial or business purposes; however, if a person is seeking services for a mix of personal and non-personal purposes, the Client Relationship Summary must be delivered to such person.

as well as for existing clients. Form CRS will be subject to SEC filing, updating, and related recordkeeping requirements.

11.2 Preparation of Form CRS

11.2.1 Format of Form CRS

11.2.1.1 Standardized Headings

The CCO will direct the drafting of Form CRS and update as needed. The CCO will ensure that the relationship summary include the following standardized headings in the prescribed order:

- What investment services and advice can you provide me?
- What fees will I pay?
- What are you legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?
- How do your financial professionals make money?
- Do you or your financial professionals have legal or disciplinary history?

The CCO will ensure that all required information is included in the Form CRS. There are also prescribed "conversation starters" — questions are intended to encourage retail investors to "initiate and engage in useful and informative conversations with their investment professionals" about their individual circumstances. A few key points to keep in mind about the conversation starters:

- Text features (e.g., font size, text boxes) are required to be used to make the conversation starters more noticeable and prominent in relation to the other discussion text.
- The SEC reminds firms that they should keep in mind the applicability of the general antifraud provisions of the federal securities laws in preparing Form CRS, including statements made in response to the conversation starters.
- Investment advisers that provide only automated investment advisory services without a particular individual with whom a retail investor can discuss these Conversation Starters must include a section or page on their website that answers each of the questions and must provide in the relationship summary a means of facilitating access to that section or page. If the firm provides automated investment advisory or brokerage services but also make a financial professional available to discuss your services with a retail investor, a financial professional must be available to discuss these conversation starters with the retail investor.

As a general matter, the relationship summary may not include additional disclosures. However, provided that the information that must be included in the relationship summary is not obscured or its understanding impeded, the relationship summary may:

- Provide explanatory or supplemental information using interactive graphics or tools (may include instructions on their use and interpretation).
- Acknowledge (and reference) other financial services provided, such as insurance, banking, or retirement services, or investment advice pursuant to state registration or licensing.

11.2.1.2 Plain English; Fair Disclosure

The relationship summary must be written in plain English, taking into consideration retail investors' level of financial knowledge. The relationship summary should be concise and direct. Specifically: (i) use short sentences and paragraphs; (ii) use definite, concrete, everyday words; (iii) use active voice; (iv) avoid legal jargon or highly technical business terms unless you clearly explain them; and (v) avoid multiple negatives. You must write your response to each item as if you are speaking to the retail investor, using "you," "us," "our firm," etc.

Disclosures must be true and not omit material facts necessary in order to make the required disclosures not misleading. If a required disclosure or conversation starter is inapplicable to your business or specific wording required by these instructions is inaccurate, you may omit or modify that disclosure or conversation starter. Responses must be factual and provide balanced descriptions to help retail investors evaluate the firm's services (e.g., no exaggerated or unsubstantiated claims, vague and imprecise "boilerplate" explanations, or disproportionate emphasis on possible investments or activities that are not offered to retail clients).

11.2.1.3 Page Limits and Text Formatting

The relationship summary should be concise and direct. For investment advisers and broker-dealers, the relationship summary must not exceed two pages in paper format, or the equivalent limit if in electronic format. For dual registrants that include their brokerage services and investment advisory services in one relationship summary, it must not exceed four pages.

The relationship summary must use reasonable paper size (or equivalent if using a different medium), font size, and margins. It should include white space and other design features to make the relationship summary easy to read.

For the required "conversation starters" noted above, text features must be used to make the conversation starters more noticeable and prominent in relation to other discussion text, for example, by: (i) using larger or different font; (ii) a text box around the heading or questions; (iii) bolded, italicized or underlined text; or (iv) lines to offset the questions from the other sections.

11.2.1.4 Electronic and Graphical Formatting

The firm will consider the use of electronic and graphical formatting. For relationship summaries that are posted on its website or otherwise provided electronically, the firm must provide a means of facilitating access to any information that is referenced in the relationship summary if the information is available online, including, for example, hyperlinks to fee schedules, conflicts disclosures, the firm's narrative brochure required by Part 2A of Form ADV, or other regulatory disclosures. A relationship summary that is delivered in paper format may include URL addresses, QR codes, or other means of facilitating access to such information.

11.2.2 Dual Registrants and Affiliates

If the firm is a dual registrant, it is encouraged to prepare a single relationship summary discussing both its brokerage and investment advisory services. Alternatively, the firm may prepare two separate relationship summaries for brokerage services and investment advisory services.

If the firm and its affiliate provide brokerage or investment advisory services to retail investors, it may prepare a single relationship summary discussing the services the firm and its affiliate provide. Alternatively, the firm may prepare separate relationship summaries for its services and its affiliate's services.

Whether the firm prepares a single relationship summary or two, it must present the brokerage and investment advisory information with equal prominence and in a manner that clearly distinguishes and facilitates comparison of the two types of services. If the firm prepares two separate relationship summaries, it must reference and provide a means of facilitating access to the other, and must deliver to each retail investor both relationship summaries with equal prominence and at the same time, without regard to whether the particular retail investor qualifies for those retail services or accounts.

11.2.3 Delivery of Form CRS

Form CRS must be delivered to all retail investors.

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, it must be the first among any documents that are delivered at that time.

11.2.3.1 Initial Delivery

- Investment Advisers – A relationship summary must be delivered to each retail investor before or at the time the firm enters into an investment advisory contract with the retail investor, even if the agreement is oral.
- Broker-Dealers – A relationship summary must be delivered to each retail investor, before or at the earliest of: (i) a recommendation of an account type, a securities transaction, or an investment strategy involving securities; (ii) placing an order for the retail investor; or (iii) the opening of a brokerage account for the retail investor.
- Dual registrants must deliver the relationship summary at the earlier of the delivery requirements for the investment adviser or broker-dealer.

11.2.3.2 Ongoing Delivery

The firm must deliver the most recent relationship summary to a retail investor who is an existing client or customer before or at the time the firm:

- Opens a new account that is different from the retail investor's existing account(s).
- Recommends that the retail investor roll over assets from a retirement account into a new or existing account or investment.
- Recommends or provides a new brokerage or investment advisory service or investment that does not necessarily involve the opening of a new account and would not be held in an existing account.

The firm must deliver the relationship summary to a retail investor within 30 days upon the retail investor's request without charge.

The firm must deliver the relationship summary to all retail investors who are existing clients or customers when a relationship summary is updated.

11.2.3.3 Posting to the Firm's Website or Web Portal

If the firm has a public website, the current version of the client relationship summary must be posted to the website, prominently in a location and format that is easily accessible for retail investors.

If the firm posts other information onto the website that is referenced in the client relationship summary, for example, ADV Part 2A Brochure, fee schedules, conflict disclosures, etc., access to the referenced documents, i.e., via hyperlinks, would also be required. Therefore, at this time it is not recommended that the firm's Brochure or other disclosures are posted onto the website.

If the firm provides documents to clients via a web portal, the Client Relationship Summary should be posted onto the portal. Keep in mind that the firm must comply with the SEC's electronic delivery requirements, whereby obtaining an informed consent form from the client to receive information through a particular electronic medium. This language may be built into the firm's client advisory agreements. It is recommended that the firm make its ADV Part 2A Brochure accessible through the portal as well.

11.2.4 Updates to Form CRS

Form CRS is required to be updated and filed within 30 days whenever any information becomes materially inaccurate. The filing must include an exhibit highlighting changes.

The firm must communicate any changes to existing retail clients within 60 days after the updates are required to be made and without charge by delivering the amended Form CRS or by communicating the information through another disclosure that is delivered to the retail client. For example, a material change to Form CRS may be communicated by delivering an amended Form ADV brochure or Form ADV summary of material changes that also contains the updated information to Form CRS. According to the SEC, this would support a reasonable belief that the information had been communicated to the retail investor, and the investment adviser will not be required to deliver an updated Form CRS to that retail investor. The SEC clarifies, however, that "merely providing notice of or access to another disclosure or the relationship summary would not satisfy" this obligation.

Each amended Form CRS that is delivered to existing retail clients must highlight the most recent changes (e.g., by marking the revised text or including a summary of material changes) in a separate disclosure showing the revised text or summarizing the material changes, and must be attached as an exhibit to the unmarked amended Form CRS.

If the firm has a public website, the current version of the client relationship summary must be posted to the website the same day or shortly after it is filed in IARD.

There is no annual updating requirement for Form CRS.

11.2.5 Filing Requirements

The CCO will file Form ADV, Part 3 (Form CRS) electronically with the Investment Adviser Registration Depository (IARD). If the firm is a registered broker-dealer and is required to deliver a relationship summary to a retail investor, the firm must file Form CRS electronically through the Central Registration Depository ("Web CRD") operated by the Financial Industry Regulatory Authority, Inc. (FINRA). If the firm is a dual registrant and is required to deliver a relationship summary to one or more retail investor clients or

customers of both its investment advisory and brokerage businesses, the firm must file using IARD and Web CRD.

All relationship summaries must be filed using text-searchable format with machine-readable headings to facilitate data aggregation and comparison.

11.2.6 Recordkeeping

The firm must make and keep true, accurate, and current a copy of each relationship summary and each amendment or revision to the relationship summary. The firm also must keep a record of the dates that each relationship summary, and each amendment or revision thereto, was given to any client or to any prospective client who subsequently becomes a client. The firm must maintain and preserve these records in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record, the first two years in an appropriate office of the firm.

11.3 Policies for Monitoring Disclosures Form CRS, ADV 2A, 2B, Advisory Agreement and Compliance Manual

11.3.1 Continuity of Disclosures Throughout the Firm's Set of Disclosure Documentation

The Form CRS regulation not only highlights the necessity for reviewing the continuity of the firm's current disclosures, it adds another layer of complexity in terms of monitoring conflicts, document maintenance, delivery obligations, and the need for both management and the firm's personnel, including the compliance team, to ensure all applicable disclosures maintain a high degree of uniformity, clarity, and continuity. Think UCC for ease of reference (Uniformity, Clarity & Continuity). The firm shall monitor its business model and current business and operational practices for changes and promptly notify the compliance team for guidance and corrective action. Bear in mind that Form CRS is a summary document, while ADV Parts 2A and 2B are the unabridged disclosure documents. All these documents must meet the UCC standard.

11.3.2 Issues Requiring Focus

The CCO should monitor for issues that should be specifically addressed in the Form CRS, including the following:

- New Hires – Disciplinary disclosures, accelerated payout structures, upfront bonuses, and forgivable loans. Such practices give rise to conflicts of interest that could otherwise affect the recommendation new hires provide to their former firm's clients.
- Firm-Level Disclosure of the Adviser Firm and its Principal Stakeholders – Any disciplinary, financial, civil action, complaints, or regulatory actions concerning the firm or its principal stakeholders require prompt notification to the compliance team for evaluation, resolution, disclosure, and subsequent disclosure delivery obligations.
- Financial Advisor Level Disciplinary or Financial Disclosure - Any disciplinary or financial disclosure action, complaints, civil, or regulatory actions concerning its financial advisors require prompt notification to the compliance team for evaluation, resolution, disclosure, and subsequent disclosure delivery obligations.

- Solicitor Arrangements – Solicitor arrangements create conflicts of interest that otherwise affect the recommendation to the prospective client.
- Graduated Payout Structures – Higher incremental payout structures can create conflicts of interest affecting client recommendations, particularly when a financial advisor is nearing the next incremental step up in payout.
- Sales Contests / Bonuses for Increased Production – Rewarding financial advisors for production can create conflicts of interest affecting recommendations to current and prospective clients.
- Performance-Based Compensation – Performance fees create conflicts of interest and could cause an advisor to spend more time on an account subject to performance-based fees, allocate favorable investment opportunities to such client, and cause the advisor to take more risks in the management of the portfolio that go beyond what the client is willing or able to bear.
- Use of Affiliates – Firms that have affiliates in which client assets are directed for portfolio management create conflict of interests that affect the recommendation to a client in that the adviser firm has an economic incentive to recommend such affiliate.
- Relationships with Unaffiliated Third-Party Managers – To the extent a firm may share in the compensation paid to the unaffiliated manager, other than payment of their normal advisory fee, such practice creates an economic incentive to recommend that third-party manager versus other equally competent mangers. This creates a disclosable conflict of interest.
- Fee Structures – Fee structures that favor one type of security over another create conflicts of interest affecting client recommendations. Such a practice could cause a client to be over-allocated to a security that would not have otherwise happened absent the fee disparity.

11.3.3 Monitoring

The firm shall monitor its new hires, payout structures, and their financial advisors' current and prospective reach of incrementally higher payouts on an as-needed basis, or at least monthly in the case of existing financial advisors and their payout structures. The firm shall utilize reports from its current custodian or applicable vendor that provide data regarding individual production. The firm may also utilize internal reports, provided they are consistent with any custodian data.

The firm shall monitor its or its financial advisors' disciplinary, financial, complaints, civil, or regulatory actions with prompt notification to the compliance team for evaluation, resolution, disclosure, and subsequent disclosure delivery obligations on a continuous basis. Correspondence (electronic and physical) should be a focal point of the review as well as a periodic review of the internet and social media sites. Such correspondence reviews should be done no less frequently than quarterly unless otherwise directed by the CCO or designee.

The firm shall monitor its product fee structures on an ongoing basis but no less frequently than annually to ensure client portfolio construction and transactions are consistent with the individual client investment objectives, risk tolerance, diversification, liquidity, and tax situation. A random sample of client portfolios shall be reviewed during the annual compliance testing and review process with documentary evidence maintained in the firm's files.

For new firm-level business model changes, contractual arrangements, and use of affiliates, the firm shall monitor prospective contractual arrangements, proposed business model changes, and use of affiliates with the compliance team prior to formalizing such an arrangement to ensure the firm's disclosures are accurate and up to date while also ensuring that disclosure delivery requirements are perfected in a timely fashion, and that relevant procedures can either be developed or enhanced to ensure proper oversight.

For current business model, contractual arrangements, and use of affiliates, the firm shall monitor such activities no less frequently than annually for conflicts of interest, and that such arrangements are in the best interest of the applicable clients. Such review will be incorporated into the annual compliance testing and review process to address outliers and anomalies.

11.3.4 Evidence of Review

The firm shall maintain documentary evidence of such review in its files. Documentation may include review of internal and external reports, review of advisory agreements, Form CRS, ADV 2A & 2B and the compliance and operating procedures manual, contractual arrangements, use of affiliates, etc., as well as any meeting notes contemplating changes to the firm's business model or contractual arrangements.

12. Risk Profiling and Account Implementation

Risk Profiling and Account Implementation	
Responsibility	IARs Administrative Personnel Compliance & Operations Staff
Resources	Client Profile Custodian Forms and Agreements Firm Contracts Internal Records & Memorandums
Action	Complete Client Risk Profile
Frequency	Ongoing basis and annual reviews
Record	Client Profile/Notes Internal Memorandums Client Correspondence

12.1 Confidential Client Risk Profiling

The firm will undertake to assess the risk for each client based upon an in-depth meeting and detailed notes. This process establishes the client's risk level (a level of investment risk acceptable to the client).

12.2 Establishing an Account

Once the client profile is completed and the specific type of program or investment strategy is selected, and upon receipt of the signed agreement by operations staff, the account must be set up with the appropriate parties/systems: operations and compliance staff, the client's custodian, the billing system, and the portfolio accounting and trading system.

12.3 Account Implementation

Before an engagement can be implemented, decisions must be made regarding the structure of the engagement. These decisions fall into the following categories:

- Selection of investment strategy
- Selection of custodian
- Source(s) of account funding
- Implementation of electronic linkages with the custodian, and with the firm's trading and portfolio accounting system if applicable

12.4 Custodian Asset-Based Pricing ("ABP") vs. Transaction-Based Pricing ("TBP")

If the firm, through its custodian, uses both asset-based and transaction-based pricing, the following procedures will apply.

At the time of account opening, the IAR should make a good faith determination based upon the size of the portfolio, the expected turnover in securities for which there is an ABP fee, the amount of the ABP fee, the current TBP fee that would apply if the account was on a TBP schedule, and determine whether a custodian ABP or TBP fee is in the best interests of the client.

The CCO or designee will perform a periodic review, no less frequently than annually, regarding the efficacy of custodian ABP pricing for the firm's advisory accounts. The CCO or designee shall utilize the following procedures:

For prior 12 months or [custom review period]:

1. Obtain list of all accounts subject to ABP.
2. Obtain portfolio value for each account.
3. Determine number of trades for each account during the relevant review period.
4. Obtain unit trade cost (may vary depending on if it's an exchange listed equity, ETF, mutual fund, option, fixed income, etc.).
5. Obtain actual amount of custodian ABP fee charged to each client.
6. Obtain ABP custodian agreement.
7. Multiply #3 by #4 to get a total TBP expense.
8. Compare #5 versus #7 and determine whether client is advantaged or disadvantaged.
9. Prepare narrative for report.

12.5 Sources of Funding

Funding of a client's portfolio can come from one or both of the following sources:

- *Cash funding* applies when a client wishes to make the initial deposit into a program account by a cash deposit. This can be done via wire transfer from another custodian, check deposit, or journal entry from an existing account at the same custodian.
- *In-kind* funding applies when a client transfers security positions into a custodian account. It is important to understand that the newly engaged money manager should have an opportunity to review the client's existing portfolio so that unnecessary sales of securities need not occur. Such sales increase the overall cost to the account. These positions may be held as part of the requested allocation, or liquidated and invested in other holdings. When funding accounts in-kind, it is important to obtain the purchase date and cost basis for each security position transferred (provide monthly custodian or brokerage statements).

12.6 Methods of Funding and Transfer

It is important that the firm's operations department fully understands the method in which the client's accounts will be funded. There are two main methods of client funding:

12.6.1 Client Funding

- *Client direct funding* takes place when a client simply funds the account with a check or wire transfer.
- *Client transfer funding* takes place when an account is funded by the transfer of all or a portion of an account at current or another custodian/broker-dealer. If the resigning custodian/broker-dealer is a bank, a written letter of authorization ("LOA") will need to

be provided by the client. The LOA will need to detail whether the entire account is to be transferred, or if only a portion is to be transferred exactly, what securities make up the transfer. Should the resigning custodian be a brokerage house, then the transfer can be facilitated by an ACAT transfer form.

12.6.2 Money Movement Requests

All money movement requests require specific written authorization from the client before processing with the custodian. Such written authorization shall include the client's signature, the payee's name, and either the payee's address or the payee's account number at a custodian to which the transfer should be directed. The client authorizes the investment adviser, in writing either on the qualified custodian's form or separately, to direct transfers to the payee either on a specified schedule or from time to time. Such authorization must be sent to the custodian and the firm's operations coordinator contemporaneously to ensure timely and accurate processing of money movement requests as well as custody compliance oversight. For the avoidance of doubt, please refer to Section 29.2 of this manual for the seven (7) conditions the firm must comply with.

The CCO or designee shall conduct a periodic sampling no less frequently than annually to review such letters of authorization, irrespective of the client's custodian, to ensure the instruction is properly completed and signed by the client at or prior to distribution to the custodian for processing.

12.7 Changing Risk Profiles

If a client's financial situation materially changes or the client wants to change investment objectives or re-establish investment criteria, the firm's IARs must acknowledge those changes and review the client's continued participation in the firm's investment programs in the context of suitability issues. Such changes must be reflected with an updated client risk profiling; any changes to the client's risk profile should be memorialized. Once changes have been documented, it is up to the firm's advisory personnel to ensure that all applicable parties are made aware of such changes.

12.8 Changing Client Address

If a client wishes to change their email address or mailing address, the change must be confirmed via oral communication with the client. The firm shall promptly notify the client's custodian of the change and provide any supporting documentation requested by the custodian. The custodian requires client signature (wet or electronic) to update the mailing address. The custodian will mail via US Postal Service a confirmation letter indicating the address change.

Clients may also change their contact information directly with the custodian. Such changes are communicated to the firm through alerts provided by the custodian. Upon receipt of notification, the firm updates its internal records, such as CRM.

12.9 Portfolio & Engagement Monitoring

12.9.1 Portfolio Monitoring

It is incumbent upon the portfolio manager and/or discretionary IAR to ensure that the following issues are appropriately addressed and documented:

- Account investment guidelines must be reviewed with those of the underlying portfolio to ensure that both are compatible.
- Applicable trading and operations personnel must code the portfolio accounting system with appropriate restrictions or constraints, if any, imposed by the client. (The portfolio manager shall periodically review such restrictions or constraints to ensure continued compatibility with the underlying portfolio.)
- In the absence of a portfolio accounting system where restrictions and constraints are logged, the firm must document client-imposed restrictions or constraints in the client's investment policy statement or an equivalent document and review quarterly to ensure continued compatibility with the underlying portfolio.
- Any changes to investment guidelines must be appropriately documented according to the following procedures:
  - Client imposed – An investment policy statement or equivalent document with the updated guidelines must be prepared and signed by the client and the firm.
- Such changes must be provided to the firm's trading department, operations, and compliance staff for purposes of implementation and ongoing monitoring.
- The portfolio manager, operations staff, and compliance staff will periodically review underlying client investment portfolios with the guidelines established by the firm or client as applicable.
- The firm must keep a copy of all investment guidelines, changes, and amendments thereto in an easily accessible place for as long as the account(s) remain active and for five (5) years thereafter.

12.9.2 Engagement (Financial Planning, Financial Audit, and Consulting) Monitoring

Duties of the IAR: It is incumbent upon the IAR to ensure that the following issues are appropriately addressed and documented:

- The client has signed an engagement agreement that among other things, outlines the services and fees to be provided.
- The client has received the firm's disclosure documents (i.e., Form CRS, ADV Parts 2A & 2B and the firm's privacy notice.
- Documents required to be provided by the clients to fulfill the terms of the engagement agreement have been provided.
- The terms of the engagement agreement have been fulfilled.
- Billing is performed in accordance with the engagement agreement.
- In the case of hourly billing, maintain accurate records of hours spent working on the engagement and review the accuracy of the billing prior to dissemination of the client.
- All recommendations made to clients are in their best interest.

Duties of the CCO or Designee: No less frequently than annually, the CCO or designee shall review a sample of recently completed financial audit, financial planning and consulting agreements to ensure the services contracted by the client have been completed and that billing was performed in accordance with the terms of the engagement agreement. In addition, the firm's CCO shall review recommendations made to clients, including any insurance recommendations to ensure that such recommendations are in the clients' best interest.

12.10 Ongoing Maintenance and Performance Monitoring

The final step in the investment management process—monitoring the performance of the investment strategy—involves the ongoing re-assessment of portfolio performance.

On a specified basis, performance monitoring reports identify time-weighted returns for the composite portfolio levels compared to relative indices.

The firm's reporting format communicates performance statistically as well as graphically, which promotes a better understanding of the overall investment process and portfolio performance for the client.

Where appropriate, IARs should review all allocations previous to year-end capital gain distributions in order to plan for income tax strategies.

12.11 Termination of the Firm's Investment Advisory Agreement

Should the IAR receive a termination letter from the client, the following actions should occur:

- The IAR must notify the firm's Manager.
- The firm will immediately place trading restrictions on the client account(s) to prevent the firm's portfolio managers from entering any new purchase or sale orders.
- The firm will issue a standard communication to the client acknowledging receipt of the termination notice and advising the client that responsibility for any open or unexecuted orders on file with the custodian reside with the client and are no longer the responsibility of the firm.
- The firm will delink electronic access to client account(s) with the custodian within 30 business days.
- The firm will calculate the pro rata refund due to the client.

13. Senior Investors and Vulnerable Adults

Senior Investors and Vulnerable Adults	
Responsibility	Manager and CCO
Resources	Annual Reviews and Internal Reviews Client records & files External Training
Action	Monitor unusual client behavior and/or changes in patterns of withdrawals
Frequency	Ongoing
Record	Physical and electronic files

13.1 Introduction

With the aging of the U.S. population, financial exploitation of seniors and vulnerable adults with diminished capacity is a serious and growing problem. Unfortunately, for many people, aging can be accompanied by diminished capabilities, including a diminished ability to assess and manage financial assets and resources, as well as a heightened susceptibility to financial exploitation. Financial professionals, particularly those with an ongoing relationship with the client, may be in to help identify early signs of diminished capacity and red flags indicating financial exploitation.

13.2 Definitions

13.2.1 Eligible Adults

This term is defined as:

- Any individual age 65 or older;
- Any adult over the age of 18 that would be subject to a state's adult protective laws or who the firm or its associated persons reasonably believes has a mental or physical impairment that renders the individual unable to protect his or her own interests.

13.2.2 Financial Exploitation

Without being overly broad, financial exploitation can be defined as:

- the wrongful or unauthorized taking, withholding, appropriation, or use of a specified adult's funds or securities; or
- any act or omission taken by a person, including through the use of a power of attorney, guardianship, or any other authority, regarding a specified adult, to obtain control, through deception, intimidation or undue influence, over the specified adult's money, assets or property; or convert the specified adult's money, assets or property.

13.2.3 Behavioral Red Flags

With the understanding that employees of ECM have no medical, behavioral, social service, or other similar clinical or professional training to definitively diagnose cognitive impairment or diminished capacity, employees nevertheless will endeavor in good faith to detect and report the following behavioral early warning signs:

- An inability to process simple concepts. This might include difficulty computing routine math problems, difficulty in understanding important aspects of the account, and confusion and loss of general knowledge regarding basic financial terms and concepts such as mortgages, wills, and annuities.
- Disregard for the consequences of financial decisions and the use of money. This may include interest in get rich quick schemes, extreme anxiety about the nature and extent of personal wealth, or making decisions that are inconsistent with his or her current long-term goals or commitments.

13.2.4 Situational Red Flags

The early warning signs that an Eligible Adult could be in a situation where he or she is potentially the victim of financial exploitation include:

- Uncharacteristic and repeated cash withdrawals or wire transfers.
- Appearing at meetings with new and unknown associates, friends, or relatives.
- Exhibiting a lack of knowledge about his or her financial status.
- Circumstances where ECM employees have difficulty speaking directly with the client or customer without interference by others.
- Sudden changes to financial documents such as powers of attorney, account beneficiaries, wills, or trusts that are inconsistent with previously discussed estate planning objectives.
- Large donations to organizations or charities with whom the Eligible Adult has no previously established pattern of giving.

13.3 Opening and Maintaining Accounts of Eligible Adults

When opening or updating the account information for eligible adults, the firm will make reasonable efforts to obtain the name and contact information for a trusted contact person. The trusted contact person is intended to be a resource for the firm in administering an eligible adult's accounts, protecting assets and responding to possible financial exploitation. The firm will use its discretion in relying on information provided by the trusted contact person.

13.4 Trusted Person Disclosure

If the client voluntarily elects to provides contact information for a trusted person, a written or electronic disclosure will be provided to the customer that the firm or an associated person is authorized to contact the trusted contact person and disclose information about the customer's account to address possible financial exploitation, to confirm the specifics of the customer's current contact information, health status, or the identity of any legal guardian, executor, trustee or holder of a power of attorney.

13.5 A.C.E. Progression Plan

13.5.1 Assess

If any ECM employee has reason to suspect financial exploitation of an Eligible Adult has or is about to occur, the facts, circumstances, and conclusions shall be documented in writing and placed in the client file. A copy of that report shall be immediately delivered to the CCO or the Alternate Compliance Officer and reviewed to determine the existence of a credible threat to an Eligible Adult.

13.5.2 Communicate

After a determination of credible threat has been made, the CCO or the Alternate Compliance Officer will initiate contact with the Trusted Contact Person and the compliance department of the Eligible Adult's custodial service provider as soon as practical.

- If the Trusted Contact Person is the individual suspected of exploiting the Eligible Adult, all communication with that individual should be withheld.

13.5.3 Escalate

When responding in good faith to a suspected instance of financial exploitation, ECM's CCO or Alternate Compliance Officer may order a temporary hold be placed on ECM's processing of account changes or disbursement instructions. The CCO or Alternate Compliance Officer should be especially attentive to uncharacteristic third-party wire transfer requests (which are often difficult or impossible to cancel or reverse).

- Anytime there is sufficient cause to place a temporary hold on a client request to process account changes or a disbursement request, the CCO or Alternate Compliance Officer should separately assess the need to inform Adult Protective Services (in the community where the client legally resides) and/or members of local law enforcement.
- Any delay of a disbursement as authorized by this section will expire upon the sooner of:
    1.) a determination by the investment adviser and/or the custodial service provider that the disbursement will not result in financial exploitation of the eligible adult; or
    2.) fifteen business days after the date on which the investment adviser first delayed disbursement of the funds, unless either of the Agencies requests that the investment adviser extend the delay, in which case the delay shall expire no more than twenty-five business days after the date on which the investment adviser first delayed disbursement of the funds unless sooner terminated by either of the agencies or an order of a court of competent jurisdiction.
    3.) A court of competent jurisdiction enters an order extending the delay of the disbursement of funds or orders other protective relief.

14. Code of Ethics

Code of Ethics	
Responsibility	Manager and CCO
Resources	Annual Reviews and Internal Reviews Outside Business Activity Disclosure Material Event & Entertainment Disclosure Material Trade and Position Data Forms U-4 Form ADV and Related Material
Action	Monitor employee trading
Frequency	Ongoing
Record	Physical and electronic files

The Code of Ethics is predicated on the principle that the firm as well as all of the firm's officers, employees, and independent contractors (hereinafter collectively referred to as "personnel") owe a fiduciary duty to clients. It is the responsibility of all personnel to ensure that the firm conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties to its clients. Accordingly, the firm and its personnel must avoid activities, interests, and relationships that run contrary to (or appear to run contrary to) the best interests of clients. A copy of the firm's Code of Ethics is attached as Appendix D.

- Nonpublic personal information: The firm may disclose any nonpublic personal information about a client to any nonaffiliated third party in order to provide its services or as otherwise permitted in the firm's Privacy Policy.
- Prohibited acts include the following:
  - Employing any device, scheme, or artifice to defraud
  - Making any untrue statement of a material fact
  - Omitting to state a material fact necessary in order to make a statement not misleading in light of the circumstances under which it is made
  - Engaging in any fraudulent or deceitful act, practice, or course of business
  - Engaging in any manipulative practices
- Conflicts of interest include the following:
  - The firm has a duty to disclose potential and actual conflicts of interest to its clients
  - All IARs and solicitors have a duty to report potential and actual conflicts of interest to the firm
  - Gifts (other than *de minimis* gifts) should not be accepted from persons or entities doing business with the firm.
- Use of disclaimers: The firm shall not attempt to limit liability for willful misconduct or gross negligence through the use of disclaimers.

- Suitability: The firm shall only recommend those investments that it has a reasonable basis for believing are suitable for a client, based upon the client's particular situation, financial plan, goals, and circumstances. In addition, clients should be instructed to immediately notify the firm of any significant changes in their situation or circumstances so that the firm can respond appropriately.
- Duty to supervise: An Adviser is responsible for ensuring adequate supervision over the activities of all persons who act on the firm’s behalf. Specific duties include but are not limited to the following:
  - Establishing procedures that could be reasonably expected to prevent and detect violations of the law by its advisory personnel.
  - Analyzing its operations and creating a system of controls to ensure compliance with applicable securities laws.
  - Ensuring that all advisory personnel fully understand the firm's policies and procedures.
  - Establishing an annual review system designed to provide reasonable assurance that the firm's policies and procedures are effective and are being followed.

15. Personal Securities Transactions

Personal Securities Transactions	
Responsibility	CCO
Resources	Regulatory Requirements Surveillance Records Communications with the Public Complaints
Action	Review statements and related activity to ensure compliance with Code of Ethics
Frequency	Quarterly or as required
Record	Physical and Electronic Files

15.1 Purpose

Upon the hiring of any employee, the firm's CCO or designee will obtain a written list of the employee's personal securities accounts and the securities accounts of the employee's immediate family members (IFMs) that contain reportable securities (Individual stocks, non-US government bonds, municipal bonds, closed-end mutual funds, ETFs, non-US government zero coupon bonds, limited partnerships, investment contracts, options). For the purpose of this section, an IFM is defined as employee's spouse, child, or relative (by blood or marriage) living in the employee's home. Each account owner shall request duplicate confirmations and/or statements be sent to ECM for review by the firm's CCO or designee. Upon opening any new personal securities accounts, employees must complete the notification form. Employees must also either make arrangements to send duplicate statements to the firm or complete the quarterly and annual holdings reports.

15.2 Responsibility and Recordkeeping Requirements

The CCO shall maintain current and accurate records of all personal securities accounts, transactions, and securities holdings for employees and their IFMs. These records shall comply with the reporting provisions contained in the firm's Code of Ethics.

15.2.1 Non-Reportable Securities

Transaction reports for the following securities are not required:

- Money-market investments
- Bank certificates of deposit
- Commercial paper
- Repurchase agreements
- Direct obligations of the U.S. government
- Mutual funds
- Units of a unit investment trust (UIT) if the UIT is invested exclusively in unaffiliated mutual funds.

15.2.2 Reportable Securities

Reportable securities include all securities, either public or private, that are not expressly identified as Being Non-Reportable Securities. IPOs and private securities transactions require the prior approval of the CCO.

15.2.3 Permissible Custodians

Personal securities accounts for ECM employees and IFMs, where feasible, must be maintained at either Charles Schwab & Co., Inc. or Fidelity Investments. Whenever technically possible, all personal securities accounts must also be electronically linked to ECM's internal trading and reporting systems.

15.3 Employee Investment Accounts

15.3.1 Managed Employee Accounts (MEAs)

Employees may elect to have ECM manage investments held in any of their personal securities account provided the employee executes an Employee Investment Advisory Agreement granting discretionary trade authority to ECM. MEAs shall be managed and traded sided by side with all other client accounts of similar size.

15.3.2 Self-Directed Employee Accounts (SDEAs)

Employees may self-direct trades for either reportable or non-reportable securities held in a SDEA provided the employee executes an employee investment advisory agreement granting non-discretionary trade authority to ECM and the following conditions are met:

- An email with the subject line "**Employee Trade Request**" must be sent in advance to ECM's trader, ECM's investment strategist, and cc'd to the Chief Compliance Officer at cco@exchangecapital.com. The body of the email must contain the account name, the account number, a security description, a security symbol or CUSIP number, and the number of shares.
- Trade instructions for any reportable security are entered, approved, and allocated using ECM's order management system. Employees may not approve their own trades.
- Every trade order for a self-directed employee account, when received, shall be marked and recorded as an "unsolicited market order" in ECM's order management system.
- All holdings in the account shall be designated as self-directed and non-managed.

15.3.3 External Accounts (EAs)

ECM recognizes the possibility that certain types of accounts established for the benefit of employees or immediate family members may have separate custodial and trading requirements beyond the direct control of the employee. In such instances it may not be feasible to custody assets at Charles Schwab & Co. or Fidelity Investments. Examples of these accounts would include certain 529 plans, a spouses' s employer sponsored plan such as a 401(k), 403(b), etc.

- The existence of an EA does not relieve ECM employees of their duty to disclose reportable security transactions in these accounts on a quarterly basis.

- The existence of an EA does not relieve ECM employees of their duty to furnish ECM's Chief Compliance Officer with a true copy of the custodial statement not less than annually. The custodial statement must identify all individual holdings and should be dated as of December 31st of each calendar year.

15.3.4 Trade Allocations for Managed Employee Accounts (MEAs) and Self-Directed Employee Accounts (SDEAs)

Trades for any reportable security executed in MEAs and SDEAs shall be unallocated until the earlier of:

- The end of the trading day, or
- A subsequent client order for the same security has been executed at the same custodian. Provided there is no disadvantage to the allocation of a client order, trades shall then be allocated with the custodian such that an employee's trade receives the average price as if the trade orders had been combined and executed simultaneously.

15.4 Employee Transaction Reporting Requirements

ECM IARs and access persons are required to disclose transaction details for all covered securities with 30 days following the end of a calendar quarter. The CCO or designee will review all personal securities transactions involving the firm's access persons on a quarterly basis or more frequently as required by the firm's Code of Ethics and/or individual circumstances. The firm's access persons must receive pre-clearance from the firm's CCO (or alternate CO) before participating in limited offerings or initial public offerings (IPOs). Other personal securities transactions do not require pre-clearance. The firm requires all access persons acknowledge in writing they have reviewed and understand the firm's policy on personal securities transactions.

15.4.1 Transaction Details

Transaction reports must disclose trade date, security name, security symbol (or CUSIP), units or number of shares, dollar amount of the transaction, executing broker/dealer, commissions paid, transaction type (buy, sell, etc.), and the reporting period covered.

15.5 Employee Holdings Reporting Requirements

Co-incident with the Employee Transaction Report covering the 4th quarter, employees must provide a copy of the custodial statement for all accounts as of December 31st. Holding reports shall disclose position details including the name of the custodial provider, the number of shares or units held, the name of each security, and the market value for all reportable securities (Individual stocks, non-US government bonds, municipal bonds, closed-end mutual funds, ETFs, non-US government zero coupon bonds, limited partnerships, investment contracts, options).

16. Material Non-Public Information

Material Non-Public Information	
Responsibility	CCO
Resources	Communications with the Public Physical and Electronic Correspondence Records Restricted and Watch Lists Trade Inquiries Annual Certifications
Action	Review correspondence; personal brokerage statements to ensure compliance with prohibitions in this section
Frequency	Daily or as required, but no less frequent than annually
Record	Physical and Electronic Files

16.1 Prevention of Misuse of Non-Public Information

Applicable state and federal securities laws require registered investment advisors to establish, maintain, and enforce written policies and procedures reasonably designed to prevent the misuse of material, non-public information by the investment advisor or any person associated with such advisor. In addition, the firm requires that all personnel safeguard the confidentiality of information acquired in the course of their employment activities.

The following paragraphs set forth the policies of the firm with respect to preserving the confidentiality of information generally and preventing the misuse of non-public information in particular in the context of rendering investment advisory services. All personnel subject to the supervision of the firm are required to have read, understand, and adhere to the firm's policies with respect to maintaining confidentiality and preventing insider trading.

The CCO has primary responsibility for enforcing the firm's policies and procedures relating to confidentiality and the prevention of insider trading.

16.2 Confidentiality

All of the firm's personnel must safeguard the confidentiality of information acquired during the performance of their employment duties, as set forth in this COPM.

16.3 Insider Trading Restrictions and the Firm's Policy

The firm forbids personnel subject to the firm's supervision from trading for their own accounts in the securities of a company while in possession of material, non-public information concerning that company or the market for its securities. Such personnel are also prohibited from revealing any such information to anyone outside the firm or anyone within the firm except on a "need-to-know" basis. Since insider trading law is complex and the penalties involved in the event of a violation are onerous, the firm has developed this statement and these procedures to protect the firm and its personnel from any transaction or disclosure that would raise the appearance of impropriety under the circumstances.

Violations of the prohibitions against insider trading rules may result in civil and criminal penalties (including fines and jail sentences), exclusion or suspension from conducting an investment advisory business, and will result in dismissal by the firm.

Insider trading law is generally understood to prohibit the following:

- Trading by a company's "insiders" while they are in possession of material, non-public information about the company.
- Trading by an "outsider" when in possession of material, non-public information that was either disclosed by an insider in violation of his or her duty to keep that information confidential (when the outsider knew or should have known of that breach) or that was misappropriated by the outsiders.
- Communicating, in breach of fiduciary duty, material, non-public information to others with knowledge that the recipients will use the information to trade.

The term "insider" can have a very broad meaning and include all persons working for or at a company who have access to material, non-public information about the company. Moreover, a person not otherwise connected to a company may be considered a "temporary insider" if he or she enters into a confidential relationship with the company and, as a result, is given access to sensitive information solely for the company's purposes with the expectation that the information will be kept confidential. Temporary insiders may include a company's lawyers, accountants, consultants, and bank lending officers, among others.

"Non-public information" is any information that has not been disclosed generally to the marketplace. Information about a company received from anyone who is an insider or temporary insider of the company (or who has a family member who is an insider or temporary insider) that is not yet in general circulation should be considered non-public. As a general rule, one should be able to point to some fact to show that the information is widely available before regarding any such information as "public" (e.g., its publication in *The Wall Street Journal* or in other major news publications). Non-public information also may comprehend plans to acquire or dispose of shares of a company's stock.

Information is "material" if it is likely to be considered important by reasonable investors in determining whether to trade. Information that generally should be considered material includes, but is not limited to, dividend changes, earnings estimates, changes in previously announced earnings estimates (or deviations from analyst expectations regarding earnings), significant merger or acquisitions proposals or agreements, material gains or losses of business, major litigation, government investigations, major discoveries or new products, significant advances in research, liquidity difficulties, and extraordinary developments relating to key management. Information concerning plans to acquire or dispose of a significant amount of a company's stock also may be material. It is never safe to assume that non-public information is not material.

In the context of the firm's advisory services, material, non-public information concerning a company or significant planned purchases or sales of its stock might be intentionally or inadvertently disclosed to personnel of the firm by, for example, a director, officer, or employee of a company or someone else in a confidential business relationship with the company, such as a broker-dealer or consultant. An officer or employee of the firm who is uncertain whether information concerning a company is material and non-public must resolve that question before trading, recommending trading by others, or divulging the information to others. If any doubt at all remains, the employee should refrain from trading or conveying the information and report the facts to and consult with the CCO.

Any officer or employee of the firm who believes that another partner or employee of the firm is about to engage, is engaging in, or has engaged in conveying non-public information to others or in prohibited trading while in possession of such information should report that belief and the basis for it immediately to the CCO. Securities transactions by the firm's officers and employees are required to be reported in accordance with the firm's Code of Ethics policy.

16.4 Supervisory Procedures to Prevent Misuse of Material Non-Public Information

In addition to complying with the requirements set forth above, the firm's personnel engaged in investment advisory activities are required to do the following:

- If the firm has a client that is deemed an insider (filing Form 3, Form 4, or Form 5 reports) and the company for which the filings are made by the client are recommended or utilized by the firm in its advisory client portfolios, the company should be placed on the restricted list.
- Acknowledge in writing, at the time of initial hiring and annually thereafter, that such person has read and fully understands the contents of this section of the firm's COPM by signing the firm's policies certification.
- Promptly after any change is made in or supplement issued with respect to this Insider Trading Policy, the CCO shall provide the change or supplement to all officers and employees of the firm engaged in providing investment advisory services.
- The firm will maintain a restricted list that will be distributed to officers, directors, and employees. The CCO will have primary responsibility for placing securities on the restricted list.
- The firm maintains a restricted list of securities which includes, among other things, securities for whom a client is an insider. Such list is distributed quarterly to its employees. The firm's compliance staff shall perform a quarterly review of trades and compare such trades against the restricted list (effectively a three-month look back). Should a violation be identified, the CCO shall determine what action is warranted. Action could include a variety of punitive measures, such trade cancellation imposition of trading restrictions, mandating pre-clearance, or termination.

Any questions as to the applicability or interpretation of these standards or the propriety of any trading or disclosure should be discussed with the CCO prior to trading or disclosing any information concerning a company or trading in its securities that might be material and non-public.

16.5 Prevention of Insider Trading

In an effort to prevent insider trading from occurring, the CCO shall:

- Design an appropriate educational program and provide educational materials to familiarize officers, directors, employees, and IARs with the firm's Insider Trading Policy.
- Answer questions and inquiries regarding the firm's Insider Trading Policy.
- Review the firm's Insider Trading Policy on an annual basis and update it as necessary to reflect regulatory and industry changes.
- Resolve issues as to whether information received by an officer, director, employee, or IAR constitutes material and non-public information. Upon determination that an

officer, director, employee, or IAR has possession of material non-public information, the CCO shall

  - Implement measures to prevent dissemination of such information.
  - Restrict officers, directors, employees, and IARs from trading on any affected securities.
- If necessary, physically separate the departments that regularly receive confidential material, including the separation of recordkeeping and support systems.
- Maintain an updated “watch list” or “restricted list” in order to monitor and prevent the occurrence of insider trading in certain securities in which the firm is prohibited or restricted from trading.
- Hold meetings with all employees at least annually to review the firm’s Insider Trading Policy.

16.6 Detection of Insider Trading

In order to detect insider trading, the CCO or designee shall, on a quarterly basis:

- Review the trading activity reports filed by each officer, director, and IAR.
- Coordinate the review of such reports with other appropriate officers, directors, employees, and IARs of the firm.

16.7 Reports to Management

Immediately upon learning of a potential insider trading violation, the CCO shall prepare a written report to the management of the firm providing full details and recommendations for further action.

17. Trade Allocation, Aggregation, and Best Execution

Trade Allocation, Aggregation, and Best Execution	
Responsibility	Manager Portfolio Manager CCO
Resources	Custodian Trade Execution Reports Written Internal Assessments Trade Instruction Worksheet Best Execution Analytics Order Memoranda Trade Blotters
Action	Review daily trading activity for accuracy/errors Review trading for best execution utilizing Thompson Reuters analytics
Frequency	Quarterly
Record	Physical and Electronic Files

17.1 Policy

The firm's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account clients' best interests. The firm will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

When necessary, the firm shall address known conflicts of interest in its trading practices by disclosure to clients and/or in its Brochure and Brochure Supplement(s) or other appropriate action.

The firm monitors clients' mandates and restrictions to, among other things, ensure that the firm transacts in appropriate investments for its clients. Client mandates and/or restrictions must be documented in writing from the client (e.g., written agreement, addendum, memo, letter, etc.) in order to be considered.

17.2 Trading Procedures – Order Aggregation

The firm shall determine the proper target percentage for each security across the accounts, while considering account size, diversification, cash availability, restrictions, and other factors including, where appropriate, the value of having a round lot in the portfolio. Allocations must be completed by the close of business on trade date.

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may

also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order shall receive the average price and be subject to minimum ticket charges and possible step outs.

To minimize performance dispersion, "strategy" trades should be aggregated and average-priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if the portfolio managers believe that a larger size block trade would lead to best overall price for the security being transacted.

Instances in which client orders will not be aggregated include, but are not limited to, the following:

- The client directs the firm to use certain broker-dealers, in which case such orders will be effected separately.
- The portfolio manager determines that the aggregation is not appropriate because of market conditions.
- The portfolio manager determines that aggregation is not in the best interest of the client due to the client's tax situation.

17.3 Trading Procedures – Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs, and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled." The firm, however, generally does not participate in new issues or IPO transactions.

In the event that an error is made in an allocation, details of the error will be noted on the trade correction form or order ticket as applicable, along with the correct allocation.

17.4 Trading Procedures – Cross Trades

The firm does not utilize agency "cross trades" for client advisory accounts. Agency cross trades are trades in which a transaction is crossed between a brokerage customer and an advisory client. From time to time the firm may engage in non-agency cross transactions, and in those instances shall provide point-of-sale disclosure to the client at or prior to the completion of the transaction indicating that (i) another advisory client is on the opposite side of the trade, and (ii) the firm may have potentially conflicting division of loyalties and responsibilities regarding both parties to such transaction.

17.5 Manipulative Trading Practices

Section 9(a) (2) of the Exchange Act makes it unlawful for any person, acting alone or with others, to effect a series of transactions in any security registered on a national securities exchange creating actual or apparent active trading in such security or raising or depressing the price of the security for the purpose of inducing the purchase or sale of such security by others. Rule 10b-5 under the Exchange Act has been interpreted to proscribe the same type of trading practices in OTC securities.

These prohibitions against manipulative trading practices mean that no employee may engage in trading or apparent trading activity in a security for the purpose of (i) inducing the purchase or sale of such security by others, or (ii) causing the price of a security to move up or down and then taking advantage of such price movement by buying or selling the security at the "artificial" price.

Price changes resulting from supply and demand are not prohibited. Therefore, buy or sell programs may cause security prices to rise or fall without violating securities laws. Section 9(a) (2) prohibits activity that has the purpose of affecting the price of a security artificially through trading or apparent trading, and not otherwise lawful activity that has the incidental result of changing the supply or demand or the intrinsic value of a security.

The CCO will monitor client trading for any suspected breaches to Section 9(a) (2) of the Exchange Act.

17.6 Order Documentation Procedures

17.6.1 Order Memoranda

Traders must transmit orders for securities by placing advisory client orders directly with broker-dealers. The traders must ensure that all order tickets (either electronic or paper) contain the following information (see Rule 204-2(a) (3) under the Advisers Act):

- The terms and conditions of the order, instruction, modification, or cancellation
- The person connected with the advisor who recommended the transaction to the client
- The person connected with the advisor who placed the order
- The client account for which the transaction was entered
- The date for which the transaction was entered
- The bank, broker, or dealer by or through whom the transaction was executed
- How the trade is to be allocated among clients
- An indication of whether the orders were entered pursuant to the exercise of discretionary power

All order tickets must be stored, either in hard copy or electronic form, in accordance with the recordkeeping requirements of the Advisers Act. The firm, to the extent it can, utilizes the functionality of its custodian platforms to ensure that all order memoranda contain the above information. For custodians that do not have this functionality, the firm will prepare written order memoranda.

17.6.2 Allocation Statements

The firm shall maintain copies of all allocation statements (in hard copy or electronic form), which are created and maintained using Schwab and Fidelity platforms.

17.6.3 Trade Confirmations

Broker-dealers are required to disclose specified information in writing to customers at or before completion of a transaction in a security, including listed and OTC options. The firm will strive to ensure that each transaction entered into on behalf of an advisory client is confirmed by the executing broker-dealer. The firm may also require that executing

broker-dealers deliver a copy of the confirmation to the advisory client. Confirmations may be delivered by mail, fax, or other electronic means.

Each confirmation must, among other things, (i) describe the security, price, quantity, trade date and settlement date, commission, tax or other settlement charges; and (ii) specify whether the client account "bought" or "sold." Special requirements arise in regard to confirmations for particular types of transactions or securities (e.g., swaps and options require special confirmation standards, and confirmations of securities listed on an exchange or other organized market may be required to indicate the name of the securities market on which the transaction was made). Since any inaccurate information in an order placed by the firm may result in the receipt of an incorrect confirmation, the firm will ensure that accurate trade information is communicated to executing brokers and that confirmations are reviewed and compared to the original trade execution instructions sent to the executing brokers.

17.7 Trading Procedures – Back Office

Once a trade has been executed, it is confirmed on the custodian's platform and added to the firm's position file.

Daily activity in each portfolio is distributed to investment personnel for review. Applicable personnel will review trading information for missing or incorrect trades and to test for reasonableness.

The portfolio manager periodically completes a review of trading activity and brings trade discrepancies to the attention of the firm's operations personnel, who will work with the custodian to rectify any outstanding trade issues.

The firm is responsible for ensuring all trade activity is communicated to the custodian bank in a timely manner. On the morning of the next business day following any day in which trading has taken place within an advisory account, the portfolio manager or designee confirms that each trade is accurately recorded by reconciling the trade information provided by the broker-dealer to the order memorandum. Once trades for each advisory account have been verified, the firm, for trades executed away from the custodian, transmits settlement instructions to the applicable executing broker by noon on the trade date plus one to settle the trade.

Trades that contain discrepancies are researched with the broker-dealer and resolved as timely as possible. In the event a trade is subsequently determined to contain errors, the firm will request that the broker-dealer issue a revised confirmation, and the firm will re-transmit the trade to the custodian bank as timely as possible. The firm will maintain records of settlement errors and their resolutions as required.

The portfolio manager or designee verifies notifications of processed trades from the custodian bank to ensure that they match the details of the settlement instructions sent to the custodian bank and that both match the trade information provided by the broker-dealer.

Periodically, the firm's CCO will review settlement errors, their resolutions, and the methods used to resolve such errors.

17.8 Daily Activity Reviews

The firm receives daily downloads of prices and transactions from its primary custodian, Schwab and Fidelity, for exchange and over-the-counter traded securities. For custodians

other than Schwab and Fidelity, the firm receives monthly statements. For certain private funds, the firm receives valuations from either the issuer or its administrator on a periodic basis determined by the issuer or its administrator. In those cases, the price is transmitted to the applicable custodian. For other private funds, the firm will indicate a price of N/A or $0, depending on the applicable custodian's operational capabilities. A member of the trading or operations staff, on a daily, monthly, or other periodic basis as applicable, reviews the clients' transaction activity and cash balances to verify their accuracy.

17.9 Trade Errors

All trade errors must be reviewed and approved by the Manager or CCO before a correction can be effected. It is the responsibility of the Manager or CCO, once the correcting trade has been effected, to memorialize the details of the error and correction, and if necessary, to work with the applicable service provider (most likely the custodian) to determine fault and how the corrected trade is to be reflected or corrected in the client's account. It is important to understand that repeated errors regarding the failure of the advisor to execute a transaction for a client's account resulting in a net profit to the client or in the cancellation of a non-profitable trade would warrant further investigation and inquiry by the Manager or CCO. For purposes described herein, it is important that the advisory firm establish a separate error account with the custodian to isolate trade errors, maintain accurate records, and ensure appropriate review of the trade errors on a go-forward basis.

17.10 Soft Dollars

Presently, the firm does not utilize soft dollar arrangements.

17.11 Best Execution

As an investment advisor, the firm has a fiduciary relationship to its clients. One of the specific duties that flow from this relationship is a duty to seek the best price and execution of client securities transactions when the advisor is in a position to direct brokerage transactions. While not defined by statute or regulation, "best execution" generally means the execution of client trades at the best net price considering all relevant circumstances. It is the firm's policy to always seek best execution for client securities transactions. To the extent the firm trades with various executing broker-dealers, please note the following:

17.11.1 Selection of Broker-Dealers

The following factors will be considered when selecting broker-dealers that may execute advisory trades (the "approved broker-dealers"):

- Input from portfolio managers, traders, and others
- Establishing an acceptable commission range for trades
- Information about the commissions paid over the previous quarters, including to the extent whether the commissions exceeded the acceptable, pre-established range and the circumstances that caused the deviation
- Statistical and other information from consultants and vendors on the execution capabilities of broker-dealers

17.11.2 Factors Considered When Placing a Trade

The portfolio manager or trader seeks the following when placing a trade with a particular broker-dealer:

- *Speed of execution*: Achieve the fastest execution reasonably possible. When possible, orders will be routed to those broker-dealers that automatically execute orders for up to a certain number of shares.
- *Price improvement*: Select broker-dealers that route orders of OTC and listed securities to market makers and/or market centers where opportunities for price improvement exist. The firm will verify whether such market makers and/or market centers:
  - automatically match incoming market and limit orders to pending limit orders,
  - cross transactions where price improvement is offered to one or both sides of the trade, or
  - negotiate transactions within the National Best Bid and Offer ("NBBO") price.
- *Size improvement*: Select broker-dealers that execute trades in markets that provide the greatest liquidity and thus potential for execution of orders larger than the size quoted in the NBBO.
- *Commission*: Select broker-dealers that charge competitive commissions.
- *Research and soft dollars*: Consider broker-dealers that provide research and brokerage services pursuant to soft dollar arrangements, provided such arrangements comply with procedures set forth in this COPM.
- *Quality of overall execution services*: Select broker-dealers that consistently execute trades in an accurate and professional manner, including providing prompt and accurate oral, hard copy, or electronic reports of execution. Number of incomplete trades the broker-dealer has made in the past will be considered.
- *Expertise*: Select one broker-dealer over another qualified broker-dealer if the former broker-dealer has special expertise in executing trades for a particular type of security.
- *Financial condition*: Select broker-dealers only if they are in sound financial condition and can maintain and commit adequate capital when necessary to complete trades. In addition, the broker-dealer's ability and overall commitment to technology will be considered.
- *Skill*: Select highly skilled broker-dealers based on such factors as the broker-dealer's ability to search for and obtain liquidity to minimize market impact, accommodate unusual market conditions, complete trades, execute unique trading strategies, execute and settle difficult trades, and maintain the anonymity of the firm.
- *Conflicts of interest*: When selecting broker-dealers to execute fund trades, the firm will be sensitive to the following conflicts of interest and where necessary shall address such conflicts by disclosure or other appropriate action:
  - Receiving soft dollars from a broker-dealer
  - Obtaining fund referrals from a broker-dealer
  - Receiving IPO allocations from a broker-dealer

17.11.3 Fixed Income Best Execution Procedures Obligations

17.11.3.1 Orders to Buy Bonds

The firm requires either its trading staff, or its third-party service provider if applicable, to adhere to its Best Execution Policy when executing orders to buy bonds as well as orders to sell bonds for the firm's customers. On orders to buy bonds on behalf of a customer, the trader or the applicable service provider must check at least one national bond quotation aggregation service (e.g., Bloomberg). This allows the trader to check the order and order size against trade execution listings of bonds recently traded by numerous dealers. These listing services are made available by the firm to its traders and may include Bloomberg Systems, Market Access, Valubond Internet Platform, Private Dealer, Internet Platforms, quotations from offering dealers, or the services of a licensed broker's broker. Executions with any offering dealer may include negotiations as to price and size in order to gain a better price improvement.

This process does not ensure the best possible price execution; rather, that the firm has used reasonable diligence to obtain the best possible pricing given the nature of the order, the interdealer availability of the offering, and the condition of the markets at the time of execution, among other things. It is important to understand that the bond market is generally an over-the-counter market where dealers independently make markets in individual bonds. There are some services that attempt to aggregate bond offerings from different dealers; however, these services are limited in practical use to the accuracy of the data displayed. Many dealers do not make inter-dealer markets, yet provide markets for their own customers. These markets are not visible to the general markets, and pricing may be better or worse than the quoted inter-dealer markets. Factors that can determine the quality of execution are discussed below.

- *Bond markets can be illiquid*: Bonds in general are much less liquid than equities, thus contributing to wider spreads between the bid and ask as well as very limited availability. Generally, liquidity is the greatest for highly rated issues with common features. Thus, the most liquid bonds would be U.S. Treasuries that generally trade in one million dollar denominations. There are numerous primary and secondary dealers that disseminate markets for these securities. As both quality and availability deteriorate, so do the efficient markets that will trade them.
- *Limited supply*: If the bond is in very limited supply, the markets for that bond will be less efficient. This is especially true with "odd-lots" or bond pieces that trade in less than round-lot quantities. If only one dealer owns a specific issue and no others are available, then the offering dealer is the only market available. Examples would include municipal bonds, CMOs, and many corporate bonds. In these cases, a trader will interpolate the offering against other similar offerings to determine the fairness of the offering. However, for best execution purposes, there is no other market to compare prior to execution.
- *Size of order*: The size or quantity of an order will dictate heavily the best price execution. Most bond market makers have increased costs and risk associated with execution of less than round-lot quantities. A round lot generally is considered $1 million in size. Thus, offering prices will generally be higher for odd-lot pieces.

- *Market conditions*: In times of interest rate volatility or credit quality issues, the number of available market makers can generally decline dramatically. Additionally, spreads between bid and ask will generally widen. This can have an adverse impact on the selection of market makers available to offer bonds.
- *Complexity of bond terms*: The less complex a bond issue is in terms of its coupon, payment structure, creditworthiness, seniority in structure, call-ability, etc., generally the more competitive the market that will be available. This is highly prevalent in the municipal market, mortgage market, and agency market; it exists but generally to a lesser degree in the corporate markets. The more complex a bond issue is, the fewer market makers that will be available and the less efficiency that will be available to traders in filling bond orders.

In reviewing the best execution effectiveness of the firm, each of these factors can have a substantial impact on the actual execution of orders to buy bonds.

17.11.3.2 Orders to Sell Bonds

When the firm receives an order to sell bonds, the trader or its applicable service provider must conduct a search to determine the best bidders. Then the trader shall endeavor to obtain at least three bids (where available). The trader and/or service provider will reflect the best bid to the customer for execution. Once again, this process does not ensure the best possible price execution but rather that the firm exercised reasonable diligence to identify the best market bid for the bonds to be sold. Many of the same issues are prevalent here as with orders to buy bonds. Additionally, most dealers only display offerings on bonds but do not advertise quotations on bids they are willing to pay for bonds. This fact makes the trader's knowledge of firms that will bid specific bonds very important. Additionally, the firm and/or its service provider may search for firms that are offering like bonds and approach them to bid a position. Finally, the firm may use a broker's broker to gather bids from its own sources.

The firm shall evaluate its or its service provider's efforts to seek to obtain best execution on client trades by completing the following:

- Review its client broker-dealers and custodians' best execution reviews and reports. On a quarterly basis, take a random sampling from the prior quarter's trade blotter and run it against RegOne trade analytics.
- Annually assess trade executions through completion of the annual best execution evaluation. As a practical matter, all trades for accounts managed similarly or that comprise a composite will be average priced to avoid issues related to favoritism.

17.11.4 Recommendations of Mutual Fund Share Classes

As many registered investment companies offer a variety of mutual fund share class options, it is incumbent upon us as fiduciaries to act in the client's best interest. In recommending mutual fund share classes, it is the firm's policy to recommend institutional share classes where available by the clients' custodian. To the extent an institutional share class is not available, the investment adviser representative should discuss with the client whether a share class from a comparable mutual fund with an equal or more favorable return to investors is available that does not include the payment of any 12b-1 or revenue sharing fees. If there are no suitable alternatives, the investment adviser representative should discuss alternative share classes for such mutual fund that consider the clients' cash

needs, the frequency of those needs, the expected size of the mutual fund position, and any other parameters requested by the client. Unfortunately, there is no "one size fits all approach." Our goal is to provide an investment recommendation that yields the best value, considering all applicable costs (embedded or otherwise), the expected risk and return of the investment, and the client's personal and financial circumstances. If you are unsure as to the appropriate share class to use, please consult with either the firm's Manager or CCO.

For investment advisory client accounts that have either purchased or transferred mutual fund securities into the firm, the firm will within 30 days' receipt of the new advisory relationship, as well as semi-annually, perform reviews of all mutual fund holdings to identify assets available for conversion to an appropriate institutional share class and to do so in accordance with the conversion schedule policy of the underlying custodian.

18. Security Valuation

Security Valuation	
Responsibility	Manager Head Trader CCO
Resources	Custodian Portfolio Pricing Reports Third-Party Valuation Services
Action	Obtain independent third-party valuations for securities that require pricing from a qualified valuation firm
Frequency	Monthly
Record	Physical and Electronic Files

18.1 Policy

The firm shall follow the procedures below for pricing securities in client portfolios. If a pricing issue arises that is not covered by these procedures, the firm shall use its best efforts and all appropriate means to obtain all relevant information in order to determine a fair value. If it is deemed necessary or prudent, the firm may hire an independent third party to provide an appraisal of the security.

The firm's clients generally transact business in liquid securities such as registered mutual funds, publicly traded equities, fixed-income securities, and options. Valuations for these types of securities are easily accessible from multiple reliable sources.

18.2 Market Valuation Procedures

It is anticipated that the vast majority of domestic and foreign equity securities will be valued based on readily available market quotations. The market prices will be received from the client's custodian, based upon information obtained from an independent pricing service utilized by such custodian.

Fixed-income securities will generally be valued by the custodian based upon information obtained from an independent pricing service utilized by the client's custodian. If prices for a particular security or for securities of a particular fixed income sector are generally not readily available from a pricing service, the portfolio manager, with the concurrence of the CCO, may obtain and use as readily available market quotations bids from dealers who have acted as lead manager for, regularly make a market in, or regularly actively trade a particular issue.

All shares of investment companies or mutual funds will be valued at their last calculated NAV.

18.3 Maintenance of Valuation Records

The firm shall maintain any and all documentation necessary to support its monthly and quarterly valuations of securities including, but not limited to, written broker-dealer or market maker quotations, contemporaneous notes from conversations with representatives from broker-dealers or market makers regarding the valuation of securities, or written

documentation received from independent third-party pricing services. This section is applicable only if the firm creates the valuation for a specific security. This does not relate to custodian and third-party pricing systems.

18.4 Correction of Pricing Errors

As a matter of policy, if a pricing error occurs, the firm shall take immediate action to correct the price on a going-forward basis and to determine its materiality. If it is deemed material, the firm shall determine whether corrective action is warranted to make the affected client(s) whole. If not, the error will be deemed immaterial and no retroactive corrective action will be required.

18.5 Fair Valuation Policy

The firm generally provides advice on liquid equities and fixed-income securities. Prices for such securities are generally readily available from a number of sources. On the rare occasion in which neither an exchange nor a broker-dealer or market maker issues a price for a security, then the following policy will apply with respect to the fair valuation of securities maintained by the firm's clients for which market quotations are not readily available.

In general, the "fair value" of a portfolio security is defined as the price a client might reasonably expect to receive upon its current sale. Ascertaining fair value requires a determination of the amount that an "arm's-length" buyer, under the circumstances, would currently pay for the security. Fair value cannot be based on what a buyer might pay at some later time, such as when the market ultimately realizes the security's true value as currently perceived by the portfolio manager. An investment advisor may not fairly value securities held by its clients at prices that are not achievable on a current basis on the belief that the client would not currently need to sell those securities. For example, bonds generally may not be valued at par based upon the expectation that a client will hold such securities until maturity if the client could not receive par value on the current sale of those securities.

The valuation of investments for which there is no readily available pricing information is a highly judgmental process that cannot be subjected to a simple mechanistic formula. The most critical factors are that valuations must be prepared with integrity and based on a common-sense approach. The fair valuation methodologies employed by the firm will attempt to represent the amount at which an asset could be acquired or sold in a current transaction between willing parties in which the parties each acted knowledgeably, prudently, and without compulsion. The CCO (with the assistance and guidance of the portfolio managers) will have oversight responsibility for pricing securities for which market quotations are not readily available.

19. Regulatory Reporting

Regulatory Reporting	
Responsibility	Portfolio Manager CCO
Resources	Custodian Position Reports Trade Blotters
Action	Monitor aggregate portfolio holdings of SEC '34 Act Section 13f securities to determine if reporting threshold has been met, and if so, file the appropriate reports required in this section (for discretionary advisors only)
Frequency	As applicable
Record	Physical and Electronic Files of SEC '34 Act Completed Reports

The firm is a discretionary asset manager and may be subject to reporting requirements under U.S. Securities and Exchange Commission Act of 1934 rules 13d and 13f. As such, it is the responsibility of the portfolio manager and the CCO to ensure that applicable reporting obligations are fulfilled and that applicable reports are prepared and filed in a timely manner with the Securities and Exchange Commission pursuant to requirements under Rules 13d-1 through 13d-7, 13f-1, 16a-1 through 16a-13, 16b-1 through 16b-8, 16c-1 through 16c-4, and 16e-1.

20. Proxy Voting

Proxy Voting	
Responsibility	Manager Portfolio Manager
Resources	Form N-PX Custodian Proxy Notifications Proxy Notification Services Individual Company Notifications Other Publicly Available Sources
Action	File Form N-PX
Frequency	As needed
Record	Physical and Electronic Files

20.1 Form N-PX Policy

Any investment adviser that is required to file a Form 13F is also required to file a Form N-PX through the EDGAR system. Form N-PX must be filed annually not later than August 31 of each year and must report, for the most recent 12-month period ended June 30, certain information regarding the investment adviser's proxy voting record for each shareholder vote relating to (1) senior executive compensation, (2) frequency of executive compensation votes, and (3) golden parachute compensation (Sections 14A(a) and (b) of the Securities Exchange Act of 1934). Even if an investment adviser does not accept proxy voting responsibility, it must still file a Form N-PX disclosing that the investment adviser has a clearly disclosed policy of not voting, and did not vote, on any proxy voting matters during the reporting period.

The firm does not vote proxies on behalf of clients, as reflected in the firm's Form ADV Part 2A brochure and its investment advisory contracts with clients. On or before August 31 of each year, the firm's CCO or designee will make a Form N-PX filing, specifically the cover page and the required signatures, disclosing that the firm has a clearly disclosed policy of not voting on proxy voting matters and, in fact, did not vote on any proxy voting matters during the reporting period. The CCO or designee shall maintain records regarding each filed Form N-PX.

20.2 Proxy Voting Policy

The firm does not take discretion with respect to voting proxies on behalf of its clients. The firm will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of the firm supervised and/or managed assets. In no event will the firm take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, the firm will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. The firm has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. The firm also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where the firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

21. Advertising and Marketing

Advertising and Marketing	
Responsibility	Manager CCO
Resources	Client Records, Contracts, Agreements, Electronic Records Marketing Department Records Disclosure Statement Files Form ADV and Applicable Schedules Communications with the Public Complaints
Action	Review and approve advertising if and when needed
Frequency	Daily or as required
Record	Physical and Electronic Files

21.1 Regulation

The firm's advertising practices are regulated by the SEC, which prohibits the firm from engaging in fraudulent, deceptive, or manipulative activities. These rules also prohibit the making of any untrue statement of a material fact or any statement that is otherwise false or misleading. In appraising advertisements by investment advisors, the SEC will not only look to the effect that an advertisement might have on careful and analytical persons but also at the advertisement's possible impact on those unskilled and unsophisticated in investment matters.

21.2 Definition of Advertising

Advertising is defined as follows :

- First, advertising includes any direct or indirect communication an investment adviser makes that: (i) offers the investment adviser's investment advisory services with regard to securities to prospective clients or private fund investors, or (ii) offers new investment advisory services with regard to securities to current clients or private fund investors. The first prong of the definition excludes most one-on-one communications and contains certain other exclusions, specifically with respect to the advertising of hypothetical performance.
- Second, advertising generally includes any endorsement or testimonial for which an adviser provides cash and non-cash compensation directly or indirectly (e.g., directed brokerage, awards or other prizes, and reduced advisory fees).

21.3 General Prohibitions

The SEC prohibits the following advertising practices:

- Making an untrue statement of a material fact, or omitting a material fact necessary to make the statement made, in light of the circumstances under which it was made, not misleading.
- Making a material statement of fact that the adviser does not have a reasonable basis for believing it will be able to substantiate upon demand by the commission.
- Including information that would reasonably be likely to cause an untrue or misleading implication or inference to be drawn concerning a material fact relating to the adviser.
- Discussing any potential benefits to clients or private fund investors connected with or resulting from the investment adviser's services or methods of operation without providing fair and balanced treatment of any material risks or material limitations associated with the potential benefits.
- Referencing specific investment advice provided by the adviser that is not presented in a fair and balanced manner.
- Including or excluding performance results, or presenting performance time periods, in a manner that is not fair and balanced.
- Including information that is otherwise materially misleading.

21.4 Review and Approval

All advertising materials must be reviewed and approved prior to use by the CCO. No supervised person shall publish, circulate, or distribute any advertisement that has not been approved by the CCO. Approval can be evidenced either electronically or in physical copy.

In addition to the items specifically prohibited in Section 21.3, the firm should be mindful that advertising materials do not contain:

- References to any list of clients, except such lists that include a (i) disclaimer stating that “it is not known whether the listed clients approve of Exchange Capital Management, Inc., or the advisory services provided by Exchange Capital Management, Inc.,” and (ii) statement describing the objective criteria used to determine which clients or Investors are included on the list.
- References, directly or indirectly, to past specific recommendations of the firm which were or would have been profitable to any person; provided, however, that this shall not prohibit an advertisement which (i) sets out all recommendations made by the firm within the immediately preceding period of not less than one year in accordance with SEC Rule 206(4)-1 or (ii) otherwise complies with SEC Rule 206(4)-1 or SEC staff guidance concerning past specific recommendations.
- Representations, directly or indirectly, that any graph, chart, formula or other device being offered can in and of itself be used to determine which securities to buy or sell, or when to buy or sell them; or which represents, directly or indirectly, that any graph, chart, formula or other device being offered will assist any person in making his or her own decisions as to which securities to buy or sell, or when to buy or sell them, without prominently disclosing in such advertisement the limitations thereof and the difficulties with respect to its use.
- Any statement to the effect that any report, analysis, or other service will be furnished free or without charge, unless such report, analysis or other service actually is or will be furnished entirely free and without any direct or indirect condition or obligation.
- Specific projections or forecasts without disclosing material factors which may affect such projections or forecasts.

- Any statement implying that performance is guaranteed.
- Any untrue statement of a material fact, or which is otherwise false or misleading.

21.5 Testimonials and Endorsements

The use of testimonials and endorsements in an advertisement is prohibited, unless the adviser satisfies certain disclosure, oversight, and disqualification provisions:

- *Disclosure*. Advertisements must clearly and prominently disclose whether the person giving the testimonial or endorsement (the "promoter") is a client and whether the promoter is compensated. Additional disclosures are required regarding compensation and conflicts of interest. There are exceptions from the disclosure requirements:
  - De Minimis Compensation. A testimonial or 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. A testimonial or 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 testimonial or endorsement is disseminated, and the adviser must document such person's status.
  - Registered Broker-Dealers. A testimonial or endorsement by a broker or dealer registered under Section 15(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.
- *Covered Persons Under Rule 506(d) of Regulation D*. A testimonial or endorsement by a person that is covered by Rule 506(d) of the Securities Act of 1933 with respect to a Rule 506 securities offering and whose involvement would not disqualify the offering under that rule is also excluded from the disqualification provision. As a practical matter, this will mean that placement agents that are not broker-dealers, including banks and other intermediaries like registered investment advisers and family offices, do not have the burden of complying with two different standards of disqualification when recommending private funds offering interests pursuant to Rule 506 of Regulation D.
- *Oversight and Written Agreement*. An adviser that uses testimonials or endorsements in an advertisement must oversee compliance with the marketing rule. An adviser also must enter into a written agreement with promoters, except where the promoter is an affiliate of the adviser or the promoter receives de minimis compensation (i.e., $1,000 or less, or the equivalent value in non-cash compensation, during the preceding twelve months). Please request a copy of the current agreement from the CCO.

- *Disclosure*. Although the rule does not require clients or investors to acknowledge in writing the receipt of a one-page solicitor's disclosure statement we recommend that you obtain a one. Such disclosure must include conflict disclosure. We have prepared a disclosure to be included in ADV Part 2A Item 14. Such disclosure coupled with a signed advisory agreement will evidence delivery of the disclosure. Nonetheless a point of sale disclosure with the specifics of the compensation agreement is recommended. A copy of such solicitor's disclosure statement can be obtained from the CCO.
- *Disqualification*. The rule prohibits certain "bad actors" from acting as promoters, subject to exceptions where other disqualification provisions apply. Refer to Section 21.6 below.

21.6 Solicitor Disqualification

One is disqualified from being a solicitor if any of the following applies within the past ten years:

- Convicted 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 Advisers Act §203(e).
- Convicted 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 Advisers Act §203(e).
- Subject to any final order by any entity described in paragraph (9) of Advisers Act §203(e), 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 Advisers Act §203(e).
- Subject to an order, judgment, or decree described in paragraph (4) of Advisers Act §203(e), and still in effect, by any court of competent jurisdiction within the United States.
- Subject to an SEC order that solicitor cease and desist from committing or causing a violation or future violation of any scienter-based anti-fraud provision of the federal securities laws, including sections 5 and 17(a)(1) of the Securities Act of 1933, sections 15(c)(1) and 10(b) of the Securities Exchange Act of 1934 (the "1934 Act") and 1934 Act Rule 10b-5, and Advisers Act §206(1), or any Rule thereunder.

21.7 Past Recommendations

If the firm decides to advertise recommendations, it must provide a list of all recommendations, not just the favorable ones.

21.8 Use of Third-Party Rankings

A third-party rating as a rating or ranking of an adviser provided by a person who is not a "related person and who provides such ratings or rankings in the ordinary course of business.

An investment adviser may not include a third-party rating in an advertisement unless the adviser:

- Has a reasonable basis for believing that 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 (due diligence requirement); and

- Clearly and prominently discloses, or the investment adviser reasonably believes that the third-party rating clearly and prominently discloses:
  - The date on which the rating was given and the period of time upon which the rating was based;
  - The identity of the third party that created and tabulated the rating; and
  - If applicable, that compensation[22] has been provided directly or indirectly by the adviser in connection with obtaining or using the third-party rating.

Where the firm utilizes third-party rankings, awards, or similar accolades accorded by news magazines, published articles, or some form of electronic media, the firm must clearly disclose the criteria utilized to create such rankings. It's important that the proper context be provided in order for the general public to properly evaluate the ranking or award in light of the actual criteria used. In no event shall any advertisement or communication be distributed, posted, or otherwise utilized without the prior written consent of the CCO.

21.9 Use of Graphs, Charts, and Formulas

Advertisements must not be written so as to suggest in any way that any graph, chart, formula, or other device offered can by itself guide the investor as to what securities to buy or sell or when to buy or sell them.

If the advertisement represents that a graph, chart, formula, or other device can assist an investor with stock selection or timing decisions, then the advertisement must prominently disclose the limitations and difficulties regarding its use.

If a report, analysis, or other service is furnished free of charge, the product or service must be entirely free and without conditions or obligations.

21.10 Performance Advertising

All performance advertising may only be used in connection with the management of a composite or a model portfolio in compliance with the subsections below and must be approved prior to use by the firm's CCO.

21.10.1 Performance Information Prohibitions

The following practices are prohibited in performance advertising:

- Gross performance, unless the advertisement also presents net performance.
  - (i) With at least equal prominence to, and in a format designed to facilitate comparison with, the gross performance; and
  - (ii) Calculated over the same time period, and using the same type of return and methodology, as the gross performance.
- Any performance results, unless they are provided for specific time periods in most circumstances.
- Any statement, expressed or implied, that the regulatory authority has approved or reviewed any calculation or presentation of performance results.
- Performance results from fewer than all portfolios with substantially similar investment policies, objectives, and strategies as those being offered in the advertisement, with limited exceptions.

- Performance results of a subset of investments extracted from a portfolio, unless the advertisement provides, or offers to provide promptly, the performance results of the total portfolio.
- Hypothetical performance (which does not include performance generated by interactive analysis tools), unless the adviser:
  (i) Adopts and implements policies and procedures reasonably designed to ensure that the performance is relevant to the likely financial situation and investment objectives of the intended audience;
  (ii) Provides sufficient information to enable the intended audience to understand the criteria used and assumptions made in calculating such hypothetical performance; and
  (iii) 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.
- Predecessor performance, unless:
  (i) The person or persons who were primarily responsible for achieving the prior performance results manage accounts at the advertising adviser;
  (ii) The accounts managed at the predecessor investment adviser are sufficiently similar to the accounts managed at the advertising investment adviser that the performance results would provide relevant information to clients or investors;
  (iii) All accounts that were managed in a substantially similar manner are advertised unless the exclusion of any such account would not result in materially higher performance and the exclusion of any account does not alter the presentation of any applicable time periods; and
  (iv) The advertisement clearly and prominently includes all relevant disclosures, including that the performance results were from accounts managed at another entity.

21.10.2 Use of Performance Data

Any performance data distributed by the firm and its supervised persons to prospective or existing clients is subject to the provisions of Rule 206(4)-1 and Rule 206(4)-8 under the Advisers Act. The SEC has taken the position that performance reports are consistent with Rule 206(4)-1 and Rule 206(4)-8, so long as the information contained in the reports is not false or misleading. The determination as to whether performance data or reports are false or misleading will depend on the particular facts and circumstances. In order to ensure compliance with Rule 206(4)-1 and Rule 206(4)-8, the firm has adopted the following rules concerning actual performance advertisements:

- Actual Results. Advertisements that refer to actual performance results must adhere to the following rules:
  - The portfolio composite construction, calculation and presentation methodologies shall be embedded in a separate manual that specifically addresses input data, calculation methodology, calculation methodology, and presentation and reporting methodology.
  - The advertisement must disclose the effect of material market or economic conditions on the results portrayed.

- Unless otherwise approved by the CCO, the advertisement must reflect the deduction of advisory fees, trading costs and other expenses that a client has paid or would have paid.
- The advertisement must disclose whether and to what extent the results portrayed include the reinvestment of realized proceeds and earnings.
- The advertisement must not suggest potential profits without also disclosing the possibility of loss.
- If the advertisement compares results to an index or benchmark, it must also disclose all material factors relevant to any such comparison.
- The advertisement must disclose any material conditions, objectives, or investment strategies used to obtain the performance advertised.
- If performance results are only for a selected group of clients, the advertisement must disclose the basis on which selection was made and the effect of this practice on the results portrayed (if material).

- Model Results. Model results are results for hypothetical or model portfolios that do not reflect the performance of an actual account. Using model performance results requires additional caution and the CCO should be consulted promptly regarding any intention to use model results. In addition to the rules for performance advertising based on actual results set forth above, all advertisements containing model performance results must also adhere to the following additional practices:
  - With respect to the construction and maintenance of the model portfolio, the firm must clearly describe the strategy and the fact that it is model based.
  - The firm shall maintain a historical record of all contemporaneous trades from the inception of the model or the beginning date in which the model portfolio performance is used for advertising purposes, whichever is the latter.
  - The model portfolio must include applicable disclosures that indicate among other things that the results do not portray or represent actual client performance and do not include any cash flow activity.
  - The advertisement must disclose prominently the limitations inherent in model results.
  - The advertisement must disclose, if applicable, material changes in the conditions, objectives, or investment strategies of the model portfolio during the period portrayed and, if so, the effect thereof.
  - The advertisement must disclose, if applicable, that some of the securities or strategies reflected in the model portfolio do not relate, or relate only partially, to the services currently offered by the firm; and the advertisement must disclose, if applicable, that the firm's clients actually had investment results that were materially different from those portrayed in the model.

21.10.3 Portability of Performance Data

Certain restrictions must be observed if, in soliciting clients (or investors for a private fund), the firm wishes to use the past performance record of the firm personnel who have moved from a prior adviser to the firm. The SEC has disciplined advisers that have used prior company performance improperly. Generally, the firm may advertise representative performance results from a supervised person's prior company if the following six conditions are satisfied:

- The person who manages the advertised account, and whose prior performance the firm wishes to advertise, had primary responsibility for obtaining the prior performance results advertised (i.e., no other person played a significant role in achieving the prior performance) and will have a position of comparable responsibility at the firm.
- The accounts at the prior company are so similar to the accounts at the applicable the firm entity that the performance results would provide relevant information to prospective clients (or investors).
- Performance results for all accounts managed in a similar fashion are included in the calculation of the representative performance results, unless the exclusion of such accounts would not result in materially higher performance.
- The advertisement otherwise complies with SEC staff interpretative statements concerning performance advertising standards.
- The advertisement contains all relevant disclosures, including a statement that the performance results were from accounts managed at another entity.
- The firm retains all documents necessary to verify calculation of the prior performance, such as account statements or custodian reports of the prior company.

21.11 Website

The term "advertisement" includes, without limitation, information posted on any website of the firm, including d/b/a websites used by the firm's IARs. It is the policy of the firm to adhere to all SEC regulations governing the use of websites by registered investment advisers. The firm's website will be reviewed periodically by the CCO. Records of the content of the website at any date shall be maintained by the firm.

21.12 Restricted Terms

Advertising materials may not represent or imply that the firm or any of its supervised persons have been sponsored, recommended, or approved or that its, his, or her abilities or qualifications have been passed upon by the federal government. A supervised person may state that the firm is a registered investment adviser; however, no supervised person may use the term "RIA" after his or her name or after the firm's name in any advertising materials.

21.13 Use of Disclaimers

Advertisements, correspondence, and other literature generated by the firm contain hedge clauses or legends that pertain to the reliability and accuracy of the information furnished. In addition, such websites, including d/b/a websites used by the firm's IARs, must use the following disclosure:

> All investment advisory services are provided by [Firm] d/b/a [d/b/a Name], an SEC-registered investment advisor. Registration with the SEC does not imply a certain level of skill or expertise. [d/b/a Name] is not affiliated with [Firm]. Additional information about [Firm] d/b/a [d/b/a Name], is available in its current disclosure documents, Form ADV Part 1A, Form ADV Part 2A Brochure, and Client Relationship Summary report, which are accessible online via the SEC's investment Adviser Public Disclosure (IAPD) database at www.adviserinfo.sec.gov, using SEC #[SEC No.].
>
> [Firm] does not offer or provide legal or tax advice. Please consult your attorney and/or tax advisor for such services.

Please consult with the CCO for specific disclosure language requirements. In addition, the CCO must provide written approval prior to a firm professional's use of a d/b/a name. Such approval shall be required in any instance whether it be business correspondence, website, social media, or any other form of electronic or physical media. Upon approval, the CCO or his designee shall amend ADV Part 1A. Once approved, the CCO shall periodically monitor, no less frequently than annually, the use of d/b/a websites and social media. Such reviews shall be documented and kept pursuant to applicable books and records requirements.

21.14 Media

No communications with the press or other news media should occur without the prior approval of the Manager or CCO. This prohibition includes, but is not limited to, interviews with print or electronic media, appearances on national network, local or cable television or radio broadcasts, publication of written investment related articles, or publication of materials over the Internet. All media requests for information relating to the firm, its services, or the firm must be referred to the Manager or CCO. Supervised persons are reminded that the use of social media for personal purposes may have implications for the firm from both a regulatory and reputational standpoint, particularly where the supervised person is identified as an officer, employee or representative of the firm. Supervised persons may not post information relating to any investment strategy or similar information relating to the firm's business operations on a social networking site without the prior approval of the CCO; provided, however, that supervised persons may list general facts about his or her title or status with the firm on such sites without pre-approval (e.g., employment history on LinkedIn). Please see the Social Media Policy for further information.

21.15 Recordkeeping

Copies of all advertising material, along with a record of the review and approval of the CCO, must be maintained by the firm for a period of five years from the date of the last use or distribution. Supporting documentation must also be kept to demonstrate the calculation of performance results or hypothetical results contained in any advertising material for a minimum of five years after the calendar year end in which the advertising material was last used in a manner consistent with SEC staff rules and guidance. The Manager or designee is responsible for establishing and maintaining appropriate records meeting this requirement. This documentation will be reviewed by the CCO.

22. Gifts, Gratuities, and Events

Gifts, Gratuities, and Events	
Responsibility	Manager CCO
Resources	Communications with the Public Physical and Electronic Correspondence Initial and Annual Certifications Event Approval Forms Complaints Forms U-4
Action	Record all gifts and gratuities given or received CCO approval on Event Approval Forms
Frequency	Daily
Record	Record of all gifts and gratuities given or received Event Approval Forms Certifications Forms U-4

22.1 Gifts and Gratuities

Neither the firm nor its employees may directly or indirectly give or permit to be given gifts or gratuities when such are given for the purpose of influencing or rewarding the action of a person in connection with the publication of information that has or is intended to have an effect upon the market price of any security. This prohibition does not apply to paid advertising.

A record of all gifts and gratuities given or received, in any amount, should be retained by each employee and should be made available to the CCO upon request. Currently, the CCO seeks information about gifts and gratuities from each employee on the annual Policies Certification and from the annual audit.

22.2 Gifts Given

Gifts and gratuities given to anyone associated with the firm's business must be reasonable in light of the prevailing circumstances. This limitation does not include business entertainment that falls within acceptable parameters, such as dinners or sporting events where the employee serves as host. Such gifts may not be so frequent or so expensive though as to raise the suggestion of unethical conduct.

22.3 Gifts Received

Employees may not solicit gifts or gratuities from clients or other persons who have business dealings with the firm. Further, employees are not permitted to accept gifts from outside vendors currently doing business with or seeking future business from the firm without the written approval of the CCO. This policy does not include customary business lunches or

entertainment, promotional items (e.g., caps, t-shirts, pens, desk toys), or gifts of nominal value.

22.4 Events and Entertainment

The firm prohibits its employees from influencing or rewarding the employees of other firms by means of gifts.

Events are a form of entertainment for a significant but targeted group of people and involve the firm's sponsorship. Events take a considerable amount of planning and may involve advertising and carry considerable cost. As such, it is important that the professional requesting permission for sponsoring an event be able to present a sound business case for the event. Elaborate entertainment or other such functions at the event that are unrelated to the business purpose are highly suspect. In addition, there are certain approvals required from the firm's management to ensure compliance with the firm's marketing, compliance, and business standards. A complete copy of the firm's Event & Entertainment Guidelines is included in Appendix E of this manual.

23. Electronic Communications

Electronic Communications	
Responsibility	CCO
Resources	Client Electronic Records Communications with the Public Complaints
Action	Monitor the firm's electronic business communications Ensure electronic business communications are archived pursuant to regulatory requirements
Frequency	Daily or as required
Record	Physical and Electronic Files

23.1 Supervisory Responsibility

The CCO shall be responsible for ensuring that the firm's use of electronic media for communication purposes is in conformance with applicable laws, rules, and regulations. The firm's use of such electronic media may include but is not limited to the following:

- Reports to and information access from regulatory authorities
- Delivery of disclosure documents and other notifications to clients (Note: See CCO prior to using electronic communications for any disclosures, including the firm's Brochure)
- Correspondence through use of email
- Use of electronic-fax machines
- Use of Internet websites, chat rooms, bulletin boards, apps

The firm's CCO or designee shall review the firm's use of electronic communications at periodic intervals to ensure the following:

- Electronic notifications to clients are sent in a timely manner and are adequate to properly convey the message.
- Customers who are provided with information electronically are also given access to the same information as would be available to them in paper form.
- Delivery obligations are met when using email, including obtaining customer's informed consent (where applicable, e.g., sending client's personal financial information to entities that are not integral in the performance of the firm's duties or obligations).
- Reasonable precautions have been 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. The firm should obtain, as part of its due diligence process, a summary of the third-party vendor's security protocols and a description of how they maintain integrity, confidentiality, and security of information sent through electronic means.

- Where an electronic medium is used to disseminate advertisements for the 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.
- Appropriate disclosure of information occurs.
- Electronic business communications and marketing materials posted to social media sites are archived for 5 years from the end of the fiscal year in which the materials were last published or disseminated.

The firm's CCO or designee shall review a sampling of email during the annual compliance test to ensure the email communication conforms with applicable rules, regulations, and firm policy.

23.2 Social Media Policy

23.2.1 Background

Social media are interactive technologies that facilitate the creation, sharing, and aggregation of content, ideas, interests, and other forms of expression through virtual communities and networks. Examples of social media platforms include Facebook, LinkedIn, X/Twitter, YouTube, Instagram, and similar sites.

As a practical matter, social media is subject to regulation by securities regulators. Our goal is to create an environment in which we embrace the new technologies and evolution of communication consistent with our obligations to the investing public, our regulators, our firm, and its employees, IARs, and independent contractors. All advertising on any social media platform requires ***prior*** review and approval from the firm's CCO or a registered principal of the firm.

23.2.2 Policy

23.2.2.1 To Whom this Policy Applies

Employees, IARs, and independent contractors (collectively, "supervised persons") are allowed to use social media to promote the firm, as long as this activity is preapproved by the firm's CCO or registered principal of the firm. Only IARs are permitted to post sales and advertising material on behalf of the firm.

Profiles and content posted to any social media platform must obtain prior review and approval from the firm's CCO or registered principal of the firm.

23.2.2.2 Personal Social Media Site Guidelines

Supervised persons are permitted to have both a personal social media account and a professional social media account. However, a personal social media account is not approved for professional use.

On such social media sites used for personal use, the employee, independent contractor, and/or IAR may complete any required information, including employment information solicited by the social media site, provided the individual's employment is no more prominent than the other employers listed and no other reference to the individual's employment with the firm is mentioned. In addition, supervised persons may not highlight, emphasize, or otherwise promote the firm or its services on the personal social media site.

Supervised persons cannot contribute content (e.g., post a comment, image, video, article) if the content contains subject matter regarding financial advisory, financial services, their designations, or their function as a representative of the firm.

It is expected that supervised persons conduct themselves in a manner fitting of a representative of the firm, even on social media sites used for personal use.

If a supervised person receives a communication from a client or other party regarding the individual's role working in the financial services industry, financial advisory, or indicating the individual's role as an advisor of the firm, the individual is permitted to succinctly redirect such communication from a non-approved social media site to an approved social media site or firm communication channel. The only communication that is permissible is a simple reply directing the contact to a channel that is approved for firm communications (e.g., firm email, advisor/client portal, SMS) or through the social media site, provided the communications are approved and archived by the firm directly from the social media site. Example: Thank you for your message. Please direct all communication pertaining to this to my work email, _____@[FIRM].com.

23.2.2.3 Social Media Internal Messaging Features

Supervised persons may not use any social media's internal electronic communication feature to send or respond to messages, unless requested and pre-approved by the CCO. Such approval is contingent on the firm's email archiving provider's ability to archive these related postings directly from the social media site.

23.2.2.4 Use of Firm Advertising Material

Applicable firm IARs may use firm-approved sales and marketing material. Posting and linking of any non-approved advertising materials is prohibited. If the IAR would like to request the ability to use, post, or link from materials that are not created or approved by the firm, the IAR must request such permission from the CCO.

23.2.3 Monitoring

The CCO or designee will perform periodic reviews of social media sites to ensure compliance with this policy. Any supervised person who fails to comply with this policy could forfeit their privilege to use social media for promoting the firm's business. Repeated violations could subject the offending individual to additional disciplinary action, including termination, which could involve a reportable disclosure on an IAR's regulatory record.

23.2.4 Updates to Social Media Policy

Supervised persons will be immediately notified of any update to the firm's Social Media Policy via the firm's email. The CCO will be available to answer any questions regarding the update.

23.3 Mobile Device Policy

23.3.1 Background

Written business communications conveyed electronically using, for example, text/short messages service (SMS) or instant messaging require archiving by the firm. This includes communications when conducted on the firm's systems or third-party application ("apps"), platforms, or sent using the firm's computers, mobile devices that are issued by the firm, or personally owned computers or mobile devices used by the firm for the firm's business.

23.3.2 Policy

Firm personnel are required to sign an attestation at commencement of employment with the firm and annually thereafter to acknowledge complying with all mobile device policy and procedures and commit to doing so in the future.

Texting business communications is strictly prohibited. In the event a client sends a business communication through text/SMS messaging, then the only permissible response to a client text is a simple reply directing the contact to a channel that is approved for firm communications (e.g., firm email, advisor/client portal, SMS) or through the social media site, provided the communications are approved and archived by the firm directly from the social media site. Example: Thank you for your message. Please direct all communication pertaining to this to my work email, _____@[FIRM].com.

23.3.2.1 To Whom this Policy Applies

This policy applies to the firm's supervised persons, including employees, IARS, and independent contractors.

23.3.3 Monitoring

The CCO or designee will perform periodic reviews to ensure compliance with this policy. Any supervised person who fails to comply with this policy could forfeit their privilege to use mobile devices for communicating firm business. Repeated violations could subject the offending individual to additional disciplinary action, including termination, which could involve a reportable disclosure on an IAR's regulatory record.

23.3.4 Updates to Mobile Device Policy

Supervised persons will be immediately notified of any update to the firm's Mobile Device Policy via the firm's email. The CCO will be available to answer any questions regarding the update.

23.4 Recordkeeping Requirements

All electronic business communications and marketing materials posted to social media sites are required to be archived for 5 years from the end of the fiscal year in which the materials were last published or disseminated. Rule 17a-4 allows electronic recordkeeping systems to maintain data in non-rewritable and non-erasable format. The preservation format must include a complete time-stamped record to maintain an audit trail.

24. Cybersecurity

Cybersecurity	
Responsibility	CCO
Resources	Vendor agreements, internal review documentation
Action	Periodically review, approve, or take appropriate action if approval not granted
Frequency	As required but no less frequent than annually
Record	Physical and electronic files

Note: The required state notice will be sent to clients in the event of a data breach.

24.1 Introduction

Cybersecurity is becoming one of the most critical areas for investment firms to focus their attention given the potential liability, both from a client and regulatory perspective. In this regard the following policy and procedures are designed to ensure we have taken adequate measures to ensure all our obligations are being met, including, but not limited to (i) protection of client records and information, (ii) protection against threats to client records and information, (iii) protection against unauthorized access to client records and information, (iv) training of firm personnel, (v) performance of adequate due diligence on our vendors that have access to client confidential information, (vi) prompt incident response, and (vii) fulfillment of our ongoing monitoring and supervisory obligations.

The principal responsibility for cybersecurity lies with our executive team and our CCO. We utilize third-party vendors; therefore our emphasis is on internal training to personnel, vendor due diligence, and our supervisory responsibility for ongoing monitoring and due diligence.

It is the responsibility of our CCO or designee to work with our vendors to obtain assurance that we receive adequate responses to our due diligence inquiry and to ensure periodic risk assessments to identify cybersecurity threats are being completed. Our CCO or designee will document the review process and findings on at least an annual basis as part of the firm's annual compliance testing obligations.

Areas of assessment should include, but are not limited to, the following:

- Systems or applications for which the firm uses multi-factor authentication for employee and customer/client access
- Email Access
- Communication through email (money transfer requests)
- Server location(s) (Cloud service provider BCP plan)
- Identification of who has access to critical systems and ensure ongoing monitoring
- IT service provider's role
- Adequacy of vendor due diligence

- Training

24.2 IT Vendor Due Diligence

The firm outsources some or all of its IT infrastructure. As such, it is incumbent on the firm, prior to engaging an IT provider, to conduct reasonable due diligence, which shall at a minimum include obtaining the following information:

- Number of years in business, ownership structure, financial condition, number of clients, references.
- Written contingency plans the vendor has in place in case of bankruptcy, the development of conflicts of interest, or other issues that might put the vendor out of business.
- Review contract with a view to include a required notification by the vendor prior to any significant changes to the third-party vendors' systems, components, or services that could potentially have security impacts to the firm and the firm's data containing client personal identifiable information.
- Whether vendor has a formally written incident response plan. If so, a copy of the plan or a summary of such plan should be requested, reviewed, and maintained in the firm's files.
- Details on overall data security (security socket layer protection, data encryption, etc.).
- Redundancy of data, how many sites, how they are secured, data backup protocol for when one of their sites has issues.
- Details on testing environment and how deficiencies are addressed.
- Details on level and skill of personnel.
- Details on any third-party partner they may use to outsource some or all of their technology infrastructure.
- Strength of required passwords, password resets, frequency, etc.
- How authentication system access by client is handled.
- Details on privacy and confidentiality of data, data sharing (if any), etc.
- Time to restore backup data from a major disruption.
- Costs.
- The CCO or designee should retain a copy of the firm's IT vendor's Data Loss Prevention policy.
- CCO or designee should review, no less than annually, vendor agreements as well as access control of vendors. In addition, it is vital to ensure that vendors' risk management, disaster recovery plans, and data backup and security reports are received by the firm and reviewed.

24.3 Equipment List

Provide a list of the equipment assigned by the firm, if any, to employees as well as any systems, utilities, and tools accessible to such employees the firm uses to prevent, detect, and monitor data loss as it relates to personal identifying information and access to customer/client accounts.

24.4 System Access

Either through the Manager or his or her designee, the firm shall ensure that access to proprietary systems is provided to current personnel based upon their job function, and that any equipment assigned to such employee or independent contractor is properly recorded. The firm will periodically monitor current employees and their job functions against the names of individuals who currently have access and the level of access granted to ensure anomalies are identified and corrected.

The Manager will take steps to assure that whenever an employee leaves the firm, any password or code used to gain access to that employee's computer is extinguished or changed, and any equipment is promptly retrieved.

24.5 Use of Encryption

Personnel may use iPhones, iPads, and similar devices to communicate on work related matters provided there is functionality to add the professional's work email that can be adequately captured in the firm's email archive. To the extent any personal identifiable information (i.e., social security number, birthdate, etc.) is communicated via electronic means, such information must be encrypted utilizing the firm's current encryption service.

24.6 Passwords

Passwords should be created using a combination of uppercase, lowercase, numbers and/or symbols. Such passwords, for maximum security, should comply with the platform's password requirements.

24.7 Identity Theft, Virus Protection, Anti-Spam, and Encryption

As part of vendor due diligence and on an annual testing basis, the firm should ensure that its systems and those of any third-party vendors utilized:

- Have updated privacy protections in place
- Are consistently applied in firm-wide environment
- Have controls in place to monitor software additions to employee laptops and/or firm internal systems
- Utilize the latest encryption technology
- Conduct an annual risk assessment of its systems and vendors
- Conduct a review to identify penetration attacks and, if a successful penetration attack occurs, confirmation from the vendor that it has an escalation policy that requires notification to its clients and proper notice required under any federal or state law

24.8 Responding to Privacy Breaches

If you become aware of an actual or suspected privacy breach, including any improper disclosure of non-public personal information, you must promptly notify the CCO or designee. Upon becoming aware of an actual or suspected breach, the CCO or designee will investigate the situation and take the following actions, as appropriate:

- To the extent possible, identify the information that was disclosed and the improper recipients.

- Take any actions necessary to prevent further improper disclosures.
- Take any actions necessary to reduce the potential harm from improper disclosures that have already occurred.
- Consider discussing the issue with outside legal counsel, regulatory authorities, and/or law enforcement officials.
- Evaluate the need to notify affected investors, and make any such notifications.
- Collect, prepare, and retain documentation associated with the inadvertent disclosure and the firm's response(s).
- Evaluate the need for changes to the firm's privacy protection policies and procedures in light of the breach.
- Send the required state notice to clients.

24.9 Testing

No less frequently than annually, the firm shall conduct a test to ensure that its personnel review the following:

- Current vendors
- System access
- Personnel assignments
- Current identity theft, virus protection, anti-spam, encryption
- Insurance coverage as it relates to risk of data theft and related issues
- Data and information can be accessed through remote access
- Data from the prior night's close of business can be recovered
- Vendor internal testing is confirmed
- How anomalies are identified and corrected by vendor

24.10 Insurance coverage

The managing executive should ascertain, given the firm's current IT environment, whether insurance coverage is recommended, and on an annual basis whether or not additional insurance coverage is necessary for cyber threats, theft, etc.

24.11 Supervisory Responsibility

The CCO shall be responsible for ensuring that the firm's use of electronic media for business communication purposes is in conformance with applicable laws, rules, and regulations. The firm's use of such electronic media may include but is not limited to the following:

- Reports to and information access from regulatory authorities.
- Delivery of disclosure documents and other notifications to clients. (Note: See CCO prior to using electronic communications for any disclosures, including the firm's Brochure).
- Correspondence through use of email.
- Use of electronic-fax machines.
- Use of internet websites, chat rooms, bulletin boards, apps.

The firm's CCO or designee shall review the firm's use of electronic communications at periodic intervals for the following:

- Monitor and log access rights of each employee. This will ensure those who need access do, and those who don't do not have access. This log should identify terminated employees and the date his/her access rights were removed. Access rights should be documented and reviewed at least annually. Access rights include, but are not limited to, the following:
  - Log-in credentials to critical systems
  - Shared drives containing sensitive information
  - Password management policy
- Log and review devices permitted to access critical systems. CCO and or his designee(s) needs to ensure only those devices that are approved in advance are accessing critical systems, such as custodian platforms, CRM systems, etc.
- Review policies and procedures regarding movement of client funds. Most commonly, to approve movement of funds, the firm must verify in more than one way that the client is requesting the money, and not an unauthorized party. See Identity Theft procedures section below.
- Perform an assessment of the firm's incident response plan.
- Details on client remote access.
- Electronic notifications to clients are sent in a timely manner and are adequate to properly convey the message.
- Customers who are provided with information electronically are also given access to the same information as would be available to them in paper form.
- Delivery obligations are met when using email, including obtaining customer's informed consent (where applicable, e.g., sending client's personal financial information to entities that are not integral in the performance of the firm's duties or obligations).
- Reasonable precautions have been 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. The firm should obtain, as part of its due diligence process, a summary of the third-party vendor's security protocols and a description of how they maintain integrity, confidentiality, and security of information sent through electronic means.
- Where an electronic medium is used to disseminate advertisements for the 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.
- Appropriate disclosure of information occurs.

24.12 Training

The CCO or designee shall provide training, at least annually, to the firm's employees to ensure all policies and procedures related to cybersecurity are being followed. This training should include, but is not limited to:

- Identifying emails and their authenticity (e.g., phishing attacks)
- Verifying the identity of the client requesting movement of funds

- Authorized devices accessing critical systems
- System access
- Password usage and change policy
- Securing employee electronic workstations
- Maintaining confidentiality of client personal identifiable information
- Use of encryption
- Adding software to work devices

24.13 Communications and Email Disclosures

24.13.1 Responsibility

The CCO shall ensure that the firm's use of the Internet, the World Wide Web, and similar proprietary or common carrier electronic systems (collectively the "Internet") to distribute information on available products and services, will comply with all applicable federal and state laws, rules, and regulations. The information and procedures contained within this section should be used as a general guideline for reviewing the firm's Internet-related business practices.

The website administrator is responsible for keeping the website current and accurate and to keep a record of all changes. All proposed changes to the website must be approved by the CCO prior to implementation.

24.13.2 Email and Website Disclosure Requirements

At a minimum, all information distributed via the Internet must meet the following requirements.

If an IAR is identified in the communication, the nature of the IAR's affiliation with the firm must be prominently disclosed.

24.13.2.1 Websites

It is recommended but not required that the firm's website contain the following disclosure language:

> Website Disclosure: No client or potential client should assume that any information presented or made available on or through this website should be construed as personalized financial planning or investment advice. Personalized financial planning and investment advice can only be rendered after engagement of the firm for services, execution of the required documentation, and receipt of required disclosures. Please contact the firm for further information.

24.13.2.2 Email Disclosures

Emails must include the IAR's name, title, the name of the firm, telephone number, and address. Each outgoing email outside the firm's email system should contain the following disclosure:

> E-mail Disclosure: This message is intended only for the use of the person(s) (intended recipient) to whom it is addressed. It may contain information that is privileged and confidential. If you are not the intended recipient, please reply to the sender as soon as possible and delete the message from your

computer. Any dissemination, distribution, copying, or other use of this message or any of its content by a person other than the intended recipient is strictly prohibited.

24.13.2.3 Links

The CCO will review all links on an annual basis to ensure compliance with the following:

- The firm's website must present all hyperlinks to other sites in an unbiased fashion. It will stay within the context of other links on the site and will not, for example, have any one link displayed any more prominently than other links.
- The link should be presented in such a manner as to not be confused as being a product or service of the advisory firm itself.
- The website should have an overall disclaimer that nothing on it should be construed as advice.

24.13.2.4 Firewalls

Adequate firewalls must be in place to ensure that, prior to any direct follow-up communication being affected with potential clients in a particular state, the firm has first registered in that state or has otherwise qualified for an exemption or exclusion from such requirement.

24.13.2.5 Information

Internet communications must not be used to attempt to effect any transaction in securities or to render personalized investment advice for compensation in any state in which the firm is not properly registered or notice filed, as applicable. In such situations, the communication must be limited to the dissemination of general information on products and services.

24.13.2.6 Approval

All Internet communications such as client newsletters or similar communications must be approved by the CCO prior to dissemination.

24.14 Identity Theft Procedures

24.14.1 Services That Give Rise to the Need for Identity Theft Protection Procedures

The firm may be deemed to have custody because (i) one of the firm's principals serves as trustee for an advisory client, (ii) the firm provides bill payment services to certain but well-known clients of the firm, or (iii) the firm has Standing Letters of Authorization for disbursement of client funds, or (iv) the firm is a general partner to a private fund and allows the disbursement of partnership assets to a third party at the request of the fund investor.

As a business practice, the firm requires any disbursement requests to be authorized by the client via Standing Letters of Authorization and one-time Letters of Authorization. Given that certain authorizations may be received by means such as email, postal mail, and facsimile, additional verification is required as further described below.

24.14.2 Identification of Red Flags

Although the firm's services are limited to certain well-known clients of the firm, there is the possibility that identity theft can occur and as a result the firm recognizes the need to monitor the activities and communications regarding applicable client transaction accounts.

It is imperative that any request for disbursement of funds, change of address, change to banking institution, change to method of disbursement, addition of authorized signatories, change to client contact information, as well as any electronic or written requests receive careful monitoring. For example, a request to disburse $5,000 to a third party may be communicated by email or letter. In such an instance the firm should confirm the disbursement through a method other than the method used to convey the request. For example, if a request for disbursement is communicated via email, the firm should call the client, send a fax, or otherwise confirm the disbursement by a method other than a reply to that email address. This holds true for any request for disbursement of funds, change of address, change to banking institution, change to method of disbursement, addition of authorized signatories, change to client contact information, and any electronic or written requests and similar type requests. Should the firm make available its services as a trustee or bill paying agent, or allow third-party disbursement from private funds it manages or sponsors on a broad basis, the firm should consider implementing a user id and password security protocol to ensure any request for disbursement, change of address, change to disbursement accounts, change of banking relationship, and similar type requests can be properly authenticated.

Other red flags that will trigger additional review are fraud alerts from consumer reporting agencies, notifications from consumer reporting agencies concerning address discrepancies, credit freezes, unusual patterns, and increased account activity.

24.14.3 Detection of Red Flags

To the extent a red flag is triggered and the request is determined to be fraudulent, the firm should not process the request and must notify the client and take appropriate actions such as changing passwords, contacting the client's banking institution, establishing new banking or disbursement accounts, creating additional security protocols known only to the client and the firm, and potentially contacting the authorities.

24.14.4 Updating the Identity Theft Procedures

Periodically but no less frequently than annually, the firm should conduct a review of its identity theft program (which should be part of the overall annual compliance review) and determine the efficacy of the existing procedures and whether additional procedures, protocols, or measures need to be in place given the firm's current business model, any attempted identify theft flagged during the year, and any new regulatory or enforcement updates by applicable law enforcement, regulatory, or governmental authorities.

25. Client Correspondence

Client Correspondence	
Responsibility	CCO, Portfolio Managers, IARs, and Access Persons
Resources	Communications with the Public Physical and Electronic Correspondence Records Annual Certifications
Action	Periodically review, approve, or take appropriate action if approval not granted
Frequency	Daily or as required but no less frequent than annually
Record	Physical and Electronic Files

25.1 Responsibility

Portfolio Managers, Investment Advisor Representatives, Access Persons, and the CCO or designee is responsible for ensuring that all their incoming and outgoing correspondence with the public is in compliance with applicable laws, rules, and regulations governing the activities of the firm. The CCO shall periodically review incoming and outgoing correspondence in accordance with its fiduciary obligations and the requirements set forth in the COPM, Code of Ethics, disclosure statements, investment advisory contracts, and related information. In addition, the CCO shall reevaluate the effectiveness of the firm's procedures regarding the review of correspondence and make revisions as necessary.

25.2 Correspondence

Correspondence includes any written or electronic communication including but not limited to letters, memorandums, facsimiles, and emails that are prepared for delivery to a single potential or actual client, but is not prepared for dissemination to multiple potential or actual clients or to the general public.

All incoming and outgoing written correspondence regarding the business of the firm must be kept in the correspondence files for a total of five years, the first two in an easily accessible location. The firm captures all incoming and outgoing email and archives, indexes, and catalogues such email in accordance with applicable recordkeeping requirements.

26. Client Complaints

Client Complaints	
Responsibility	Manager CCO
Resources	Communications with the Public Physical and Electronic Correspondence Records Annual Certifications
Action	CCO reviews complaint, responds to client, and takes appropriate action
Frequency	Daily or as required but no less frequent than annually
Record	Physical and Electronic Files

The CCO is responsible for ensuring that all written, oral, and electronically transmitted customer complaints are handled in accordance with all applicable laws, rules, and regulations and in keeping with the provisions of this section.

The term "complaint" is generally defined as "any oral or written statement of a customer or any person acting on behalf of a customer alleging a grievance involving the activities of those persons under the control of the firm in connection with the solicitation or execution of any transaction or the disposition of securities or funds of that customer." This would include any complaint regarding investment advice, other financial planning advice, or any other service that the firm provides. In addition, this would include any complaints concerning third-party providers, including investment managers, vendors, and custodians utilized by the firm's clients for investment advisory services provided by the firm.

IARs and other employees must notify the CCO immediately upon learning of the existence of a customer complaint and provide the CCO with all information and documentation in their possession relating to such complaint. IARs are expected to cooperate fully with the firm and with regulatory authorities in the investigation of any customer complaint. Complaints may not be settled or resolved by the employee without first obtaining the approval of the firm's CCO.

The firm takes any and all customer complaints seriously, and the CCO shall promptly initiate a review of the factual circumstances surrounding any written complaint that has been received.

The firm shall maintain a separate file for all written and electronically transmitted customer complaints in the CCO's office, to include the following information:

- Identification of each complaint
- The date each complaint was received
- Identification of each IAR involved in servicing the client
- A general description of the matter of complaint
- Copies of all correspondence involving the complaint
- The written report of the action taken with respect to the complaint

The CCO shall file amended U-4s or U-5s as appropriate under the circumstances with IARD and CRD.

27. Regulated Employee Activities

Regulated Employee Activities	
Responsibility	Manager CCO
Resources	Initial and Annual Certifications Form U-4 Disclosures Customer Complaints
Action	Review to ensure compliance with this section
Frequency	Daily
Record	RR's Registration and Employment Folder

27.1 Use of Titles

Employees may not use titles unrelated to their activities with the firm. The use of any other title on business cards or letterhead or in any communications requires the prior approval of the CCO. Titles that are generally not related to the firm's activities include, but are not limited to, Attorney at Law, J.D., and PhD. Exceptions may be granted if the firm and the applicable professional provides financial or estate planning services and the law degree is relevant to the provision of services.

To ensure that all business cards, letterhead, and other stationery items conform to the firm's standards, all such items must have the approval of the firm's Manager or CCO.

28. Outside Business Activities

Outside Business Activities	
Responsibility	Manager CCO
Resources	Communications with the Public Physical and Electronic Correspondence Complaints Initial and Annual Certifications Forms U-4 Outside Business Activity Approval Forms
Action	CCO Approvals on Outside Business Activity Approval Form
Frequency	Daily
Record	Approval Forms Certifications Forms U-4

Employees are required to request permission from the firm's CCO to engage in any outside business activities. Employees should complete and forward a copy of the Outside Business Activities Approval Form prior to engaging in business activities conducted outside the scope of their employment with the firm. A copy of the Outside Business Activities Approval Request Form is included in Appendix F. In addition, employees must disclose their participation in an outside business activity on the firm's Policies Certification (completed soon after joining the firm and annually thereafter).

Generally, outside business activities include but are not limited to the following:

- Holding, seeking to transfer, or applying for securities industry licenses at any other investment advisory firms or financial service provider
- Working as an employee of an entity other than the firm
- Acting as an independent contractor to an outside party
- Serving as an officer, director, or partner of a for-profit entity
- Acting as a finder
- Providing referrals for a fee
- Serving as an expert witness in regulatory or legal matters
- Receiving compensation for services rendered outside the scope of employment with the firm

Compensation may include hourly or salaried wages; stock options, warrants or rights; referral fees; or provision of services or products as remuneration. Generally, receiving anything having present or future value for the services rendered will be considered as compensation.

Charitable activities are generally not considered outside business activities. If the employee is being or will be compensated for involvement with a charitable organization, however, the employee must seek prior approval to participate in that activity.

Supervisors through their own internal review regimens may become aware of an individual employee's involvement in an outside business activity as defined above. Employees who have not previously disclosed and had approved their intent to participate in an outside business activity should be asked to promptly complete an Outside Business Activities Approval Form and forward it the CCO for review.

The firm's CCO is responsible for reviewing each Outside Business Activity Approval Form submitted. The CCO will communicate his or her decision in writing as to whether the employee may participate in the named activity. The CCO will use the information supplied on the Outside Business Activities Approval Form to update Section 10 on the employee's Form U-4.

Copies of the Outside Business Activities Approval Form, with an indication regarding the decision made by the CCO, will be retained in the CCO's individual employee files. In addition, copies of the Outside Business Activities Approval Form should be maintained in the local office's individual employee files.

Failure to disclose any outside business activity is a serious breach of policy and may be grounds for immediate termination.

29. Political Contributions

Political Contributions	
Responsibility	Manager CCO
Resources	Communications with the Public Written Requests to Make Political Contributions Physical and Electronic Correspondence
Action	CCO Approvals (generally in email)
Frequency	As Needed
Record	Written Requests and Approvals List of Covered Persons Record of Amount of Political Contribution, Applicable Elected Official, Date and Description of Applicable Election

29.1 Purpose

The essence of the rule is to ensure that investment advisers seeking to do business with government entities are prohibited from gaining unfair advantage as a result of either making direct or indirect political contributions to elected officials who either control or have the ability to influence the retention of an investment adviser. This would include any arrangements performed through a third party with the intent of influencing such elected officials. Such unfair advantage could cause harm to the beneficiaries of the trillions of dollars of assets in government retirement plans managed by investment advisers by having investment advisers selected who may not be appropriate or who charge higher fees than otherwise could be attained.

29.1.1 Affected Rules

- 206(4)5 – Pay-to-Play Rule
- 204(2) – Recordkeeping Requirements
- 206(4)1 – New Marketing Rule

29.2 Definitions

29.2.1 Contributions

Contributions are broadly defined to include any gift, subscription, loan, advance, or anything of value to influence an election of a federal, state, or local office, including any payments for debts incurred in such an election.

29.2.2 Covered Associates

- Any general partner, managing member, executive officer, or individual with similar status or function.

- Any employee who solicits a government entity to enter into a business relationship with the investment adviser.
- Any person who supervises the employee who solicits a government entity.
- Any political action committee controlled by the investment adviser or any persons described above.

29.2.3 Government Officials

Any incumbent, candidate, or successful candidate for elective office who controls or has influence over the retention of an investment adviser, including any official who can appoint a person who controls or has influence over the retention of an investment adviser.

29.2.4 Government Entity

Any state or political subdivision of a state, including:

- Any agency, authority, or instrumentality of the state or political subdivision.
- A pool of assets sponsored or established by the state or political subdivision or any agency, authority, or instrumentality thereof, including but not limited to a "defined benefit plan" as defined in section 414(j) of the Internal Revenue Code (26 U.S.C. 414(j)), or a state general fund.
- A plan or program of a government entity.
- Officers, agents, or employees of the state or political subdivision, or any agency, authority, or instrumentality thereof acting in their official capacity.

29.2.5 Covered Investment Pool

- Any registered investment company that is an investment option for a government entity plan or program.
- Any entity that would be required to register as an Investment Company but for the exemptions under Investment Company Act rules 3(c)(1), 3(c)(7), or 3(c),(11).

29.3 Investment Advisers Subject to the Rule

Investment advisers registered or required to be registered with the SEC or who are exempt from registration pursuant to Investment Act section 203(b)-3 are subject to the rule. As a practical matter, state-registered advisers would not be subject to the rule.

Sub-advisers are *not* exempt from the rule.

29.4 Practices Targeted Under the Rules

The following practices are targeted under the rules:

- Direct and indirect contributions to elected officials who control or who have influence over the retention of investment advisers for government entities.
- Advisers whose executive officers control political action committees and who funnel firm assets through PAC's to elected officials who control or have influence over the retention of investment advisers for government entities.
- Advisers who pay third parties to influence elected officials, other than third parties who are subject to the new rules or similar rules mandated by the MSRB.

- The coordination or solicitation of political contributions for elected officials who control or who have influence over the retention of investment advisers for government entities.

29.5 Political Contributions by Investment Advisers and Consequences of Certain Contributions

Investment advisers or their covered associates have no limitations on political contributions; however, *any such contributions (not subject to exemptions or that are in excess of de minimis amounts) that were made to any elected official who has control or influence over the retention of the investment adviser will preclude the investment adviser from receiving compensation for work performed for such government entity for a period of two years from the date of such contribution*.

29.6 Revisions to Recordkeeping Requirements

Application of rule 204(2) is required for those advisers who have clients that are government entities.

Rule 204(2) requires investment advisers to maintain a record of all covered associates, all government entity clients, and all political contributions (in chronological order).

29.7 Revisions to Cash Solicitation Rule

Advisers are prohibited from paying third parties to solicit government entities.

29.8 Approval Process for Employees and Look Back for New Hires

All employees regardless of title must secure permission from the firm's Manager and CCO in order to (i) make a contribution in excess of $350 to elected officials for whom they are entitled to vote per election, and (ii) make a contribution in excess of $150 to elected officials for whom they are *not* entitled to vote per election. The CCO shall maintain applicable records of the requesting employee, the amount and date of the contribution, the elected official for whose benefit the contribution was made, and any other pertinent details along with the disposition of the request.

Candidates for employment are required to disclose any political contributions they have made in the two-year period prior to the anticipated hire date. The firm is required to review the political contribution activities of the new hire that could have an adverse impact on the firm's ability to conduct business with government entities. In the event of a contribution that adversely impacts the firm, the Manager and CCO should discuss the matter and determine how best to resolve it. The CCO shall perform such review and maintain applicable records.

All such records shall be maintained for a period of five years.

29.9 Exemptions

The SEC may grant exemptions in line with its obligations to the public. There are no exemptions for investment adviser firms other than may be granted by the SEC.

Covered associates may make a maximum $350 contribution for elected officials for whom they are entitled to vote per election. Covered associates may make a maximum $150 contribution for elected officials for whom they are *not* entitled to vote per election.

Investment advisers who discover that a covered associate has made a political contribution for whom they were *not* entitled to vote within four months of the contribution, provided such contribution is less than $350 to any one official per election and the investment adviser secures the return of such contribution within 60 days of discovery of the political contribution, are exempt from the rule.

30. Custody of Client Assets

Custody of Client Assets	
Responsibility	Administrative Manager CCO
Resources	Client Records, Contracts, Agreements Finance and Accounting Records Electronic Records Marketing Department Records Disclosure Statement Files Form ADV and Applicable Schedules Communications with the Public Complaints
Action	Periodically review business practices to ensure the avoidance of custody (other than direct debit of fees)
Frequency	Daily or as required
Record	Physical and Electronic Files

30.1 SEC's Interpretation of Custody

The SEC has broadly interpreted the definition of "custody." In addition to actual custody, the SEC has defined custody to include:

- Where an adviser is a general partner or manager to a private fund.
- Where an adviser has the authority to direct client requests, utilizing standing instructions, for wire transfer of funds for first-party money movement and third-party money movement (checks and/or journals, ACH, Fed-wires) without further written instruction from the client.
- Where an advisor receives proceeds from the redemption of client securities.
- Where an advisor has signatory power over a client's checking account.
- Where an affiliate of the advisor acts as agent for the advisor and holds client assets, unless the affiliate is acting as an independent contractor.
- Where an advisor takes prepayment of fees more than $1200 per client and six months or more in advance.
- Where an advisor holds client securities in the advisor's name or in bearer form. However, holding a client's check drawn to a third party does not constitute custody or possession of client funds (this is prohibited under the firm's policy).

30.2 Enhanced Custody of Client Assets

The firm is considered to have enhanced custody of client assets (surprise exam not required) for purposes of the Advisers Act for the following reasons:

- Our authority to direct client requests, utilizing standing instructions, for wire transfer of funds for first-party money movement and third-party money movement (checks

and/or journals, ACH, Fed-wires). The firm has elected to meet the SEC's seven conditions to avoid the surprise custody exam, as outlined below:

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 adviser, 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.

Individual advisory clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. Clients are urged to compare the account balance(s) shown on their account statements to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.

30.3 Qualified Custodian

Under Rule 206(4)-2, the firm is required to maintain client assets and securities with a broker-dealer, bank, or other "qualified custodian." The qualified custodian must hold the assets or securities in an account under the client's name or under the firm's name as agent or trustee for the client.

30.3.1 Due Inquiry

The firm is required to confirm with the custodian that the custodian has sent statements to a client no less frequently than quarterly. Most custodians provide links that advisory professionals can access to comply with this requirement. In the absence of a custodian-provided link, the firm should contact the custodian to determine how best to comply with this provision.

30.4 Fee Payments Received Directly from Client's Custodian

An advisor is deemed to have custody of client funds if its fees are debited directly by a qualified custodian who then automatically pays the advisor. The advisor, although deemed to have custody, is exempt from having to be subjected to a surprise annual audit, provided the

client's assets upon which the advisor's fee is calculated and paid are maintained by a qualified custodian who agrees to send no less frequently than quarterly a statement of all transaction activity, cash, and securities balances to the client.

30.5 Custody Where an Advisory Affiliate Is Involved

The firm could also be deemed to have custody of a client's assets in certain instances involving advisory affiliates and persons associated with it. For purposes of these policies and procedures, an "advisory affiliate" means the firm and any other firm or individual that directly or indirectly controls or is controlled by the firm. Our primary regulatory authority considers many factors to determine whether the firm has custody of client funds in such instances, including the following:

- Whether a client's property in custody of the affiliated person might be subject to the claims of the firm's creditors.
- Whether the firm's personnel have the opportunity to misappropriate a client's property.
- Whether the firm's personnel ever have custody or possession of, or direct or indirect access to, a client's property or the power to control disposition of such property to third parties for the benefit of the firm or an affiliated person.
- Whether the firm's personnel of an affiliated company who have possession or custody of or control or access to a client's property are under common supervision and control over the client's property.
- Whether personnel of the firm hold any position with the custodian or share premises with the custodian of a client's funds and, if so, whether they have direct or indirect access to clients' funds or securities.

30.6 Avoidance of Custody Situations

Because of the broad definition of custody, personnel of the firm must be particularly careful to avoid creating any situation in which the firm could be deemed to have custody of its client's assets. Should any questions arise as to whether a particular action or circumstance falls within the definition of "custody," personnel of the firm should consult with the CCO.

In cases of inadvertent receipt of funds or securities, it is the firm's policy to assist the client in such matters without assuming custody. If the firm inadvertently receives client funds or securities, the firm will take the following steps to correct this action.

Note: If any employee of the firm receives funds or securities of a client payable or endorsed to the firm, the CCO should be notified immediately.

30.6.1 Funds or Securities Received by the Firm that Are Endorsed or Made Payable to Custodian

The firm will make a record of the receipt of client funds and/or securities in the firm's Funds/Security Received–Forwarded Log. The record will include the following information:

- Name of the person who received the funds or securities
- Client's name
- Date received
- Amount of funds or name of security

- Number of shares or face value of such security, coupon, and maturity date (if applicable)
- Date the funds/securities were mailed to the custodian, how they were mailed, and by whom they were mailed

Checks should be sent to the custodian in such a manner that the delivery can be tracked (e.g., scanned, express mail, certified, etc.).

The firm should make a photocopy of the check received and place it in the client's file and attach to the checks/securities received log.

Applicable personnel of the firm should then follow up to ensure that (i) the custodian received the check, and (ii) the custodian deposited the check in the correct client's account.

Please be advised that in the case of securities, the client should be instructed to insert the custodian's legal name as the agent and attorney-in-fact on the back of the certificate and sign a separate stock power endorsing the certificate. The firm should instruct the client to ensure that both documents are sent to the custodian in separate envelopes by the U.S. Postal Service registered and return receipt requested, or by courier service.

30.6.2 Funds or Securities Received by the Firm that Are Endorsed or Made Payable to the Firm

In the case of cash or securities received by the firm that are endorsed or made payable to the firm, applicable firm personnel must return the funds/securities to the client with a letter of instruction on how and where the client should forward funds/securities now and in the future (i.e., directly to the custodian). The firm will return such funds or securities within 24 hours of receipt by the U.S. Postal Service or by courier service.

The firm will keep a copy of any supporting documents along with a copy of the check or securities.

30.6.3 Inadvertent Receipt of Wire Transfers to the Firm for Customer Accounts

In the case of an erroneous wire transfer to the firm for the benefit of a client's advisory account, the firm may not under any circumstances accept the transfer. Such wire transfer should be returned to the sender with instructions to issue the wire to the applicable client's custodian for further credit to the client's account. Any such receipt of the wire (designated to be credited to the client's account) by the firm will cause the firm to be subject to the surprise custody exam requirement.

30.7 Manager Notification and Review of Custodied Accounts

The firm requires its advisors to notify the Manager or designee of any client account where (i) the firm has an SLOA for a client account, (ii) an employee of a firm affiliate or an employee of the firm is a trustee, executor, or functions in a similar capacity for a client account, or (iii) the firm, or one of its advisors, is a trustee of an ERISA plan or provides investment advice to a plan participant.

The Manager or designee will identify the account as one where the firm has custody and will cause the firm to keep a record off all such accounts as well as all money movement activity,

including the identity of the sender and receiver, to identify if the firm or any related persons are connected to such money movement activity. On a semi-annual basis, the Manager or designee will review these accounts to make sure the custody rules are observed. On a periodic basis, but at least once a year, the Manager or designee will review a sample of those accounts where the firm has custody, and confirm the custody arrangements are in compliance with applicable regulatory requirements and firm policy.

31. Regulation S-P

Regulation S-P	
Responsibility	Administrative Manager CCO
Resources	Client Records, Contracts, Agreements Finance and Accounting Records Electronic Records Marketing Department Records Disclosure Statement Files Form ADV and Applicable Schedules Communications with the Public Complaints
Action	Annual mailing of Privacy Statement to clients
Frequency	Daily or as required
Record	Physical and Electronic Files

31.1 Privacy of Client Financial Information (Regulation S-P)

Regulation S-P requires the firm to adopt policies and procedures reasonably designed to

- Ensure the confidentiality of customer records and information
- Protect against any anticipated threats or hazards to the security of customer records and information
- Protect against unauthorized access or use of customer records or information that could result in "substantial harm or inconvenience" to any consumer

The privacy provisions of Regulation S-P will apply to information that is "nonpublic personal information." Nonpublic information, under Regulation S-P, includes "personally identifiable financial information" and any list, description, or grouping that is derived from personally identifiable financial information. Personally identifiable financial information is defined to include three categories of information:

- *Information supplied by a client*. Any information that is provided by a client or potential client to the firm in order to obtain a financial product or service. This would include information or material given to the firm when entering into an investment advisory agreement (firm's engagement letter).
- *Information resulting from a transaction*. Any information that results from a transaction with the client or any services performed for the client. This category would include information about account balances, securities positions, or financial products purchased or sold through a broker-dealer.
- *Information obtained in providing products or services*. Any information obtained by the firm from a consumer report or other outside source that is used by the firm to

verify information that a client or potential client has given on an application for advisory services.

Under current privacy rules, the firm is required to:

- Adopt policies and procedures to safeguard customer information.
- Issue an initial and annual privacy notice.
- Issue an opt-out notice if the firm shares information with third-party non-affiliates. The firm does not share any information to non-affiliated third parties other than information that the client has approved by express consent in the engagement letter that is necessary to provide the engagement of financial planning services.

The regulation requires disclosure of the types of nonpublic personal information the firm collects and whether it shares information with affiliates or non-affiliates. Specifically, the firm's privacy notices must contain the information listed below, unless the disclosure does not apply to the firm's practices, at which time the notice can be silent.

- Categories of nonpublic information collected.
- Categories of nonpublic personal information disclosed, if applicable.
- Categories of affiliates and non-affiliated third parties to whom information is disclosed.
- Categories of nonpublic personal information disclosed about former customers and the categories to whom the information is disclosed.

31.2 The Firm's Privacy Policy

As general policy, the firm will not disclose personal financial information about any client to non-affiliated third parties except as necessary to establish and perform its investment advisory and financial planning services.

The firm will maintain physical, electronic, and procedural safeguards that comply with federal standards to guard each client's personal financial information. Such safeguards include restricting the use of any information to those employees that need access to provide the firm's services. Clients' personal financial information will be maintained in the firm's central files and will be secured after normal business hours.

31.3 Delivery of the Firm's Privacy Notice

Each potential client will be provided with a copy of the firm's Privacy Notice upon signing the investment advisory contract (see Appendix G). In addition, each active client of the firm will be provided with a copy of the Privacy Notice on an annual basis unless the firm is exempt from the annual delivery requirement as noted in Section 31.4 below. A copy of the firm's Privacy Notice is to be retained in the firm's corporate files.

31.4 Exemption from Annual Delivery of Privacy Notice

An amendment to the consumer privacy provisions of The Gramm-Leach-Bliley Act provides an exception to the annual delivery requirement for any financial institution that satisfies the following two criteria: (i) the financial institution does not share nonpublic personal information with nonaffiliated third parties (other than as permitted under certain enumerated exceptions, e.g., to service providers who perform services on behalf of the financial institution, or as necessary to administer a transaction requested or authorized by an

individual); and (ii) the financial institution has not changed its privacy policies and practices from the policies and practices that were disclosed in the most recent privacy notice sent to individuals.

32. Whistle Blowing Policy

Reporting Policy	
Responsibility	CCO
Resources	Communications from employees, regulators, and law enforcement
Action	Review personnel files, email communications, and physical correspondence
Frequency	As required
Record	Physical and Electronic Files

32.1 Reporting Responsibility

If you reasonably believe a violation of law, regulation, or any of the firm's policies is occurring or has occurred, you must promptly report that information. Examples of the types of reporting required include, but are not limited to, violations of applicable laws, rules, and regulations; fraud or illegal acts involving any aspect of the firm's business; material misstatements in regulatory filings or internal books and records; activity that is harmful to clients; and deviations from policies and procedures that safeguard the firm and its clients.

32.2 How to Report

Suspected violations must be reported to the CCO or the Alternate Compliance Officer. Suspected violations of human resources policies and suspected employment-related violations may also be reported to the CCO or the Alternate Compliance Officer.

32.3 Investigation of Suspected Violations

The CCO will take appropriate action to investigate any suspected violation. This action may (but need not) include use of internal counsel and/or retention of experts or advisors, such as external counsel, accountants, or other experts. Details of the suspected violation may be reported to the person(s) under investigation (unless doing so could compromise the investigation), appropriate representatives of management, and applicable regulatory and law enforcement authorities.

32.4 Non-Retaliation Policy

Retaliation against employees who report suspected violations is prohibited. The firm and its employees are prohibited from discharging, demoting, suspending, threatening, harassing, or in any other manner discriminating against employees in the terms and conditions of the employees' employment or advisory relationship with the firm because of:

- Any lawful act done by the employees to provide information, cause information to be provided in accordance with this policy, or otherwise assist in an investigation regarding any conduct which the employees reasonably believes is reportable under this policy;

- Any disclosure by the employees of suspected unlawful activity to a governmental or law enforcement agency, including but not limited to the Securities and Exchange Commission, if the employees has reasonable cause to believe unlawful activity has occurred;
- Any refusal by the employees to participate in an activity that would result in a violation of state or federal statute, or a violation of or non-compliance with a state or federal rule or regulation; or
- The exercise by the employees of legal rights in the employees' present or former employment.

The firm and employees are prohibited from taking any action that would impede an individual from communicating directly with the Securities and Exchange Commission or other applicable regulatory authority about such individual's reasonable belief about a possible securities law violation or other violation of law, including but not limited to enforcing, or threatening to enforce, a confidentiality provision or agreement. This policy is intended to create an environment where employees can act without fear of reprisal or retaliation. In order to monitor whether employees are being subjected to reprisals or retaliation, the CCO may from time to time contact anyone who makes a report pursuant to this policy to determine whether any changes in the reporting person's work situation have occurred as a result of providing information about a suspected violation. If the CCO determines that any reprisal or retaliation has occurred, the CCO shall report this to appropriate representatives of management, unless the CCO determines that such report is not appropriate. Anyone who feels he or she has been the subject of reprisal or retaliation because of his or her providing information should immediately notify the CCO.

33. Oversight of Critical Service Providers

Oversight of Critical Service Providers	
Responsibility	Manager CCO or designee
Resources	Vendor-supplied information Publicly available information Notes from meetings/calls
Action	Compile information from vendor and publicly available sources Review and approve or reject as appropriate
Frequency	Initially and as needed, but no less frequently than annually
Record	Maintain in electronic or physical files

33.1 Policy

It is the firm's policy to conduct due diligence on critical third party service providers ("CSPs") used by the firm prior to their engagement and thereafter periodically. The firm reviews the CSP's compliance with the terms of agreements in place and assesses the CSP's continued suitability and capacity to perform the activities being outsourced. The firm also determines whether the CSP maintains adequate physical and data security controls, transaction procedures, business continuity, and information technology contingency arrangements (including periodic testing), insurance coverage, and compliance with applicable laws and regulations. The firm understands that the ultimate compliance responsibility lies with the firm and cannot be delegated to the critical service provider.

33.2 Procedures

- Prior to entering into a contract with a CSP, the firm will conduct a due diligence review.
- All new or renewing CSP relationships shall be memorialized in a written agreement that will be reviewed by a member of the compliance department. All CSP agreements shall include appropriate confidentiality provisions protecting the firm clients' confidential information in accordance with the firm's privacy policies and appropriate provisions requiring CSPs to protect the security of personal information in accordance with the firm's privacy and data security policies.
- The firm will conduct a periodic due diligence review of all CSPs. The CCO will be responsible for the review, which shall include surveying Covered Persons who interact with the CSP on a regular basis and reviewing potential and actual conflicts of interest, disclosing such potential and actual conflicts of interest in the firm's applicable disclosure documents, and addressing any compliance violations or other errors attributable to the CSP.
- If any concerns or issues arise during the course of the relationship, they shall be escalated to senior management immediately.

34. Finance and Accounting

Reconciliations & Bank Record	
Responsibility	Manager
Resources	Bank records
Action	Reconcile bank accounts against the firm's records
Frequency	Monthly
Record	Bank statements and other bank records retained by financial manager

34.1 Reconciliation and Bank Records

The Manager or designee is responsible for establishing procedures for the periodic reconciliation of bank statements, depository accounts, and other accounting and business records. Records of bank accounts and other reconciled accounts will be maintained in accordance with regulatory requirements.

A system of internal financial controls will help safeguard the firm's assets, monitor the accuracy and reliability of data, improve the operational efficiency, and encourage adherence to established policies. These procedures prevent the firm from exposure to losses due to mismanagement of data, employee dishonesty, and human error.

The firm's internal financial staff has responsibility for the following accounting processes:

- Billing
- Cash/Accounts Receivable
- Accounts Payable
- General Ledger
- Treasury Services
- Annual Budget
- Regulatory Reporting
- Tax Services
- Financial Reporting and Analysis

35. Billing

Billing	
Responsibility	Manager
Resources	Financial and Transaction Records Portfolio Accounting System Custodian
Action	Prepare Invoice Request Process Invoices Mail Invoice Summary to Client's Custodian Direct Debit Custodian Accounts
Frequency	Ongoing
Record	Invoices Custodian Statements Email Communication

35.1 Policy

Billing is defined in this context as the preparation, issuance, and recording of fees charged to investment advisory clients for work performed.

The firm's Manager or designee is responsible for ensuring that the advisory fees are consistent with the firm's disclosure documents and accurately calculated in accordance with the client agreement with supporting documentation (e.g., hours worked if hourly billing). The Manager or designee will review each client agreement prior to the firm's acceptance to ensure that the advisory fees are consistent with the firm's disclosure documents. To the extent that the advisory fee(s) contained in the client agreement deviates from the fees set forth on the firm's disclosure documents, the Manager or designee will document the reason for such deviation. The corporate office operations staff is responsible to ensure among other things, that billing records reflect the advisory fee agreed to in the client's signed investment advisory agreement, and ensure client signed authorized fee increases are properly reflected in the firm's billing records before any such billing is finalized and sent to custodian for processing.

35.2 Fee Invoice Accuracy Review

The Manager or designee will be responsible for ensuring client fee invoices are reviewed for accuracy on a quarterly basis. The fee invoices should be randomly selected in a quantity sufficient to satisfy the Manager or designee that the firm is billing clients accurately.

Generally, a 5% sampling would be sufficient. For each sampled client, the reviewer shall review the client's current advisory agreement, the quarter end statement that identifies the portfolio market value(s), and the internal fee filling billing spreadsheets for any excluded assets, discounts, and other specific client-driven requests that serve as the basis for the fee calculation, the statement in which such advisory fee was deducted to ensure the accuracy of the fee, the calculation of such fee, and the deduction of the fee. Any discrepancies should be

brought to the attention of the professional servicing the client. The documentation reflecting this review will be stored electronically on the firm's server.

In the case of financial planning, financial audit, and consulting work, the Manager or designee will review samples of recently completed engagements to ensure work contracted for was completed and that billing was performed in accordance with the engagement agreement.

In addition, the CCO performs annual testing on the firm's compliance program, including billing, in which such billing review is the same as described above. Moreover, we ensure the quarterly reviews are done in accordance with this policy.

35.3 Automatic Fee Deduction

The firm may, as authorized by clients, direct each client's account custodian to debit the appropriate advisory fee from the client's account and pay such fee to the firm. In connection with this process, the firm will:

- Initially obtain written authorization from the client permitting the firm's fees to be paid directly from the client's account; and
- Communicate with each client's broker-dealer, custodian, or other financial institution regarding the amount of fee to be paid to the firm on the client's behalf (the "fee invoice")

35.4 Fee Invoice to Client

Alternatively, the firm may deliver a fee invoice to clients for payment of the advisory fee directly to the firm from the client.

35.5 Terminated Client Accounts

The Manager or designee shall review any terminated advisory relationships during the preceding quarter and verify that the refund was calculated correctly and issued to the client.

35.6 Recordkeeping

In its books and records, the firm will maintain documents regarding the firm's advisory fee billing including any review and calculations of fees. A sample billing review spreadsheet is attached at Appendix I for the firm's usage, or the firm can substitute its own review spreadsheet, database, or workflow procedure to aid in the billing review process.

36. Cash/Accounts Receivable

Cash/Accounts Receivable	
Responsibility	Administrative Manager Administration Dept. Personnel
Resources	Financial Transaction Records Time Records Billing Records
Action	Deposit and Posting of Cash Receipts
Frequency	Ongoing
Record	Cash Journal Entries Cash Log Bank Statements/Wire Log Cash Application Requests

Clients whose fees are not directly debited from the custodian are requested to send payments either electronically through a third-party online payment processor, Fed Wire system or via check to the firm. All payments should reference an invoice number. Physical checks will be deposited daily in the firm's operating account. Confirmation of wire receipts is received the day following the receipt via online access.

To accurately apply cash to open invoices for investment advisory services, investment advisory codes must be established properly and any outstanding invoices should be reviewed thoroughly. The firm's IARs are responsible for resolving unallocated and unidentified payments.

In the event that a client refund is necessary, the administration department will calculate and process the refund pursuant to the methodology outlined in the firm's Brochure and Brochure Supplement.

37. Accounts Payable

Accounts Payable and Retainers	
Responsibility	Administrative Manager
Resources	Financial and Transaction Records
Action	Processing and Posting of Accounts Payable
Frequency	Ongoing
Record	Vendor Invoices Check Requests Wire Requests

Vendor invoices are sent directly to the administrative manager for verification of receipt and verification of approval. The individual or appropriate personnel who incurred the expenses are asked to review the invoices. Once reviewed, a completed Check Request Form, along with the necessary approval, is sent to the administrative manager and processed for payment. The firm then verifies the appropriate approvals, codes the invoices to the general ledger, and generates payments in accordance with vendor payment terms and the firm's policy.

Expenses are recorded in the accounting period in which the invoice is received by the firm. Payments are generally handled by check and mailed directly to the vendor by the firm.

The firm, specifically the firm's Manager, is responsible for establishing and updating approval levels for the firm. These approval levels must be clearly defined, documented, and communicated to the administrative manager in a timely manner. The administrative manager is responsible for maintaining a reference file of all documentation received to ensure that all individuals approving invoices for payment are authorized to do so.

38. General Ledger, Account Reconciliations, and Journal Entries

General Ledger, Account Reconciliations, and Journal Entries	
Responsibility	Administrative Manager
Resources	Administration and Transaction Records
Action	Maintenance and Reconciliation of Balance Sheet and Income Statements
Frequency	Ongoing
Record	Journal Entries Account Reconciliations Balance Sheets

The firm's administrative manager is responsible for the maintenance and reconciliation of all balance sheet and income statement accounts and the processing of system and non-system generated journal entries.

The firm's administrative manager is responsible for adding, deleting, and modifying all general ledger accounts. The primary objective of account reconciliation is to ensure that transactions are properly classified, recorded in the proper accounting period, and processed in a timely manner. The administrative manager reconciles all accounts on a monthly basis and conducts a thorough review monthly.

The administrative manager is responsible for processing journal entries. Journal entries arise from several sources, including:

- Subsidiary ledgers/modules (system generated).
- Adjustments and corrections from reconciliations (manual/non-system generated).
- Submissions from the firm's personnel, including adjustments, corrections, and manual entries (manual/non-system generated). All submissions from the firm's personnel must be reviewed and approved by the financial manager or designee in order to ensure the appropriateness of the entry and the possible impact to the firm.

The objective of journal entry processing is to ensure that all journal entries prepared and/or submitted are properly supported, thoroughly reviewed by supervisory personnel, and processed accurately within the prescribed timeframes.

39. Review and Preparation of Financial Statements

Review and Preparation of Financial Statements	
Responsibility	Manager and Administrative Manager
Resources	Financial and Transaction Records
Action	Preparation and Review of Statements
Frequency	Ongoing
Record	Financial Statements

The general responsibility of the financial statements rests with the firm's Manager. The Manager will supervise the preparation of the final financial statements.

40. Payroll Services

Payroll Services	
Responsibility	Administrative Manager
Resources	Reports/Electronic Data Files
Action	Recording of Payroll Services within the Accounting System
Frequency	Ongoing
Record	Journal Entries Account Reconciliations Balance Sheets

The firm's administrative manager will perform the payroll services function.

41. Tax Filings

Tax Filings	
Responsibility	Administrative Manager
Resources	Financial and Transaction Records
Action	Maintenance and Reconciliation of Balance Sheet and Income Statements
Frequency	Ongoing
Record	Federal and State Filings Required Schedules/Analyses

All federal and state tax filings, including income, sales/use, and property tax filings, will be prepared and filed by the firm's administrative manager. Preparation of tax filing documents will be performed by the firm's outside accountant.

42. Treasury Services

Treasury Services	
Responsibility	Manager Administrative Manager
Resources	Financial and Transaction Records
Action	Processing of all Cash Related Activities
Frequency	Ongoing
Record	Wire Transfer Requests Financial Agreements

Cash-related activities (banking, borrowing, trustee, and investment), including risk management and wire transfers, will be performed by the firm's Manager in conjunction with its banking institution.

Wire requests (one-time, and the initial request for a standing wire request) shall be prepared with the applicable sender and receiver information, including the transmitting and receiving banks and applicable client account numbers. Once the instruction is prepared, it will be reviewed and approved by the firm's Manager or CCO. Once the instruction is approved, it is sent to the custodian for processing. The firm's operations staff shall confirm the wire transfer was effected accurately and on a timely basis. The firm shall maintain a list, stored electronically on the firm's server, of all such wire transfer activity to ensure the CCO can accurately test the wire transfer activity for compliance with the firm's policy and procedures during the annual compliance testing.

43. Annual Plan

Annual Plan	
Responsibility	Manager and Administrative Manager
Resources	Financial and Transaction Records
Action	Preparation of Annual Plan and Entry into Financial System
Frequency	Yearly, Occasional Mid-Year Updates
Record	Planning Workbooks

The Manager and administrative manager are responsible for the preparation of the annual plan and budget. The annual plan, if created, should detail the upcoming year's annual expenses and revenues, with appropriate bandwidths/tolerances built in to account for changes in services provided, new vendors added or deleted, changes in client composition and billing rates, and expected growth rate.

44. Books and Records

Books and Records	
Responsibility	Administrative Manager CCO
Resources	Client Records, Contracts, Agreements Finance and Accounting Records AML Records, Electronic Records Marketing Department Records Disclosure Statement Files Corporate Records Form ADV and Applicable Schedules Communications with the Public Complaints Any other records pertaining to the business of being an investment advisor
Action	Periodically review to ensure proper maintenance of records
Frequency	Daily or as required
Record	Physical and Electronic Files

44.1 Books and Records Overview

The CCO is responsible for ensuring that books and records of the firm are promptly and accurately prepared and maintained in accordance with applicable regulatory requirements.

The following records will be maintained for a period of not less than five years, with two years readily accessible. (Note: Check the firm's record retention requirements. In some cases, the firm's requirements may be longer than five years for specific documents.)

44.2 Finance and Accounting

- Journals (cash receipts, cash disbursements, etc.)
- General ledgers (asset, liability, capital, income/expense accounts, etc.)
- Checkbooks, bank statements, canceled checks, balance sheets, cash reconciliations
- Bills (paid and unpaid)
- Trial balances and financial statements

44.3 Communications with the Public

- Hard copy original written communications received
- Hard copy written communications sent
- Client performance reports
- All incoming and outgoing emails that relate to the business of the firm
- All advertisements and sales literature and related source material if such advertising includes performance advertising; pertinent records and all performance data relevant

to a composite will be kept for life of the composite, and five years after termination of the composite

44.4 Client Records

- A list of all advisory clients and accounts including those over which the firm has discretion. Discretionary accounts must be separately identified. Discretionary authorization forms (executed) would be required where applicable.
- A record of every transaction in a security in which the firm holds a direct or indirect ownership interest (holdings/posting page).
- Records of all securities transactions and holdings reports as required under the firm's Code of Ethics policy as required.
- Documentation relating to execution of account setup with custodians and performance reporting vendors, including documents that relate to a client's risk tolerance and investment objectives, and any changes in such investment objectives and risk tolerance and in any investment allocations. This includes documentation of client agreement with recommended investment changes, if applicable. Custodian statements are required to ensure that investment recommendations and implementation are consistent with client's stated goals, objectives, and risk tolerance.
- Client performance reports.

44.5 Disclosure Documents

- Disclosure document (Brochure and every amendment) and all subsequent changes or modifications.
- Solicitors' disclosure document (if applicable) and all subsequent changes or modifications.
- Copy of Annual Offer of Disclosure Document (Brochure) also includes a list of clients who requested and received a copy of the firm's Brochure.

44.6 Contracts

All written agreements entered into by the firm, which are to be maintained for a period of not less than five years after termination of relationship.

44.7 Employee & Firm Registration and Licensing

- Employee applications
- Forms U-4 and U-5 and any amendments
- Background investigation reports
- Certification forms
- Outside business activity forms
- Event and entertainment forms
- Form ADV amendments and withdrawals, partial or otherwise

44.8 Customer Complaints

Any customer complaints received in writing must be forwarded to the CCO. These must be maintained in a customer complaint file that includes the resolution of the complaint. The customer complaint file is to be maintained even if empty.

44.9 Policies, Procedures, and Ethics Manuals

Policies and Procedures. Copies of the firm's policies and procedures and any amendments thereto. These include the Code of Ethics and the Compliance and Operating Procedures Manual.

Code of Ethics. Copies of the firm's Code of Ethics currently in effect or that was in effect any time within the last five years, including (i) records of any violations of the Code of Ethics and any actions taken as a result of the violations; and (ii) 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 years a supervised person of the firm.

Use of Electronic Media to Maintain and Preserve Records. The CCO is responsible for safeguarding these records from loss, alteration, or destruction. The CCO is also responsible for limiting access to the records to unauthorized personnel and to ensure that all electronic copies of non-electronic originals are complete, true, and legible. Furthermore, the CCO should be prepared upon request by any regulatory authority to promptly provide (i) 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 (ii) a means to access, view, and print the records.

Corporate Records. Articles of Incorporation, Minute Books, Stock Certificate Books, and other corporate records will be maintained at all times and for a period of not less than five years after termination of the firm's existence. Such records will be maintained at a location with reasonable access, and which will be communicated to the proper regulatory authority upon the required filing of Form ADV-W. Any change in the location of such records will be communicated promptly to the proper regulatory authority.

44.10 Storing Books and Records Using Electronic Media

In addition to or as a substitute for storing documents in paper format, the records required to be maintained and preserved may be immediately produced or reproduced on film, magnetic disk, tape, optical storage disk, or other electronic storage medium, e.g., cloud storage provider, third-party archiving platform.

When using an electronic storage format, the 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 immediate location of a particular client record.
- At all times be ready to promptly provide a copy or printout to an examiner.
- Exclusively use a non-rewritable, non-erasable format.
- Verify the quality and accuracy of the storage media recording process.
- Serialize the original storage media and time-date the information for the required period of retention.
- 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 a system providing for accountability regarding record inputting.
- Establish such other appropriate procedures as are necessary for reproducing, maintaining, and accessing electronically stored books and records, including reasonable safeguards to protect against loss, alteration, or destruction.

44.11 Emails

Email retention requires compliance with SEC Rule 204-2(a)(7). The firm will separately store a copy of these records as part of its Disaster Recovery Program and establish procedures to reasonably safeguard the emails from loss, alteration, or destruction and limit access to these records to properly authorized individuals. The firm requires that all business-related email correspondence with outside parties by an employee of the firm be done through the firm's email system. The CCO will provide promptly any of the following, if requested by any regulatory authority:

- A legible, true, and complete copy of an email in the medium and format in which it is stored
- A legible, true, and complete printout of the email

44.12 System Security

The CCO will inform all personnel with access to customer records that they are not to leave their computers unattended or give out their passwords. A screen-saver protection system will automatically log off the computer if not used after 15 minutes.

The CCO will take steps to assure that whenever an employee leaves the firm, any password or code used to gain access to that employee's computer is extinguished or changed. In addition, all computer login passwords will be changed quarterly.

The required state notice will be sent to clients in the event of a data breach.

45. Disaster Recovery Planning

The firm has created a Business Continuity Plan in the event of any significant business disruption. This plan is provided under Appendix H.

APPENDIX A: Annual Policies Certification

Annual Policies Certification

Name of Firm:

Name of Employee/Independent Contractor:

The firm is a registered investment adviser and as such is subject to the multitude of laws and regulations governing the securities industry. As an employee of the firm, you are subject to a number of policies and procedures that are, in part, designed to conform to SEC and state laws and regulations. Under SEC rules, you are required to provide the firm with certain information, which this certification is designed to help capture.

Please complete the following questions, providing complete explanations on a separate page where necessary. Please be sure to provide details for YES or NO answers where requested. **If your response to any of the questions on this certification changes, you must advise the Compliance Department in a timely fashion.**

1. Are you engaged in any outside business activity, and/or do you serve as an officer, director, or employee of another organization? Outside business activities include, but are not limited to, outside employment where you accept compensation; serve as a power of attorney, trustee, or executor for an advisory client or entity; act as a general partner, limited partner, managing member, member of a board, finder, referral source, or expert witness; were elected or appointed in a county, municipal or state election process; engage in any business activity outside the scope of your employment at the firm. Conducting business via d/b/a is also considered an OBA.

   ❑ Yes ❑ No

   If Yes:

   (i) Look up your public disclosure at IARD (adviserinfo@sec.gov; enter your name or CRD #) to review whether the information listed under Other Business Activities is accurate.

   (ii) If you have a new outside business activity or an existing activity for which you did not previously request approval, **you must complete a separate Outside Business Approval Request Form for each activity. Outside activities must be approved in advance.**

   (iii) Contact your GS Compliance Account Manager, or email Josh@gscomplianceconsulting .com, if you have any changes to your public disclosure or need an OBA Form to be sent to you for completion through DocuSign.

2. Rule 206(4)-5(a)(1) makes it unlawful for an investment adviser, investment advisory firm, or covered associate to provide investment advisory services, for compensation, to a government entity within two years after a political contribution to an official of the government. Therefore, have you made any political contributions within the last two years?

   ❑ Yes ❑ No

   If Yes, was the political contribution to an official that was in a position to influence the engagement of the firm?

   ❑ Yes ❑ No If Yes, provide details:

3. Have you borrowed from or loaned money to any clients or employees of clients?

   ❑ Yes ❑ No If Yes, provide the following information:

   Date:

   Client:

   Amount: $

   Are you the lender or the borrower?

4. In the past year, have you directly or indirectly given/received gifts or gratuities to a client, an agent for a client, a prospective client, or others who have a business relationship with the firm?

   ❑ Yes ❑ No If Yes, provide the following information:

   Type:

   Cost:

   Name of recipient:

   Business relationship to the firm:

5. Do you personally advertise; write research reports or sales literature; or participate in or conduct seminars targeted to industry groups, prospective clients, or clients?

   ❑ Yes ❑ No If Yes, provide details:

6. Are you currently, or do you anticipate, using any of the following for advertising, soliciting, and/or conducting business?

   a) iMessage/Text (SMS) Messages ❑ Yes ❑ No

   b) Social Media/Social Media Direct Messages ❑ Yes ❑ No

   c) App-based communications ❑ Yes ❑ No

7. Do you utilize a personal website or personal social media account(s) to discuss, advertise, or solicit business that is not firm approved?

   ❑ Yes ❑ No If Yes, provide details:

8. Are you presently named in any client complaint, arbitration or lawsuit; or are you aware of any complaints, arbitrations, or lawsuits that have not been previously brought to the Compliance or Legal Department's attention?

   ❑ Yes ❑ No If Yes, provide details:

9. Have you been charged, convicted of, or pled guilty or *no lo contendere* ("no contest") to any felony or misdemeanor?

   ❑ Yes ❑ No If Yes, provide details:

10. Has any self-regulatory organization ("SRO"), federal, state, or foreign financial regulatory authority found you to have made a false statement or omission; found you to be involved in a violation of its regulations or statutes; and/or entered an order that either limits, suspends, or bars your involvement in investment-related activities?

❑ Yes ❑ No If Yes, provide details:

11. Have you or an organization over which you have (or have had) control declared, or are filing for, bankruptcy?

❑ Yes ❑ No If Yes, provide details:

12. Have you confirmed that your current U4 as filed publicly is accurate?

❑ Yes ❑ No If No, please send your updates to the CCO.

13. Do you certify that:

(i) You have received and read the firm's Compliance and Operating Procedures Manual, including its appendices?

❑ Yes ❑ No

(ii) You understand and agree to comply with the standards contained in the Manual, including the Code of Ethics and all related policies and procedures as is required as part of your continued employment or association with the firm?

❑ Yes ❑ No

(iii) You will report any potential violation of which you become aware promptly to your supervisor and/or the Compliance Department?

❑ Yes ❑ No

(iv) You understand that any violation of the Code of Ethics or compliance policy or procedure is grounds for disciplinary action, up to and including discharge from employment?

❑ Yes ❑ No

14. Do you certify that you have received, read, and understand the firm's Insider Trading and Code of Ethics Policy?

❑ Yes ❑ No

Signature: _____ Date: _____

The undersigned, in his/her capacity as the Chief Compliance Officer or designee, hereby certifies receipt of this Annual Policies Certification Form.

CCO/Designee: _____ Date: _____

Appendix B: ERISA 408(b)(2) Notice

ERISA 408(b)(2) Fee Disclosure for Services Directly to ERISA Plans

Where Adviser provides services directly to an employer-sponsored pension plan subject to Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), including 401(k) plans, with the exception of simplified employee pension individual retirement arrangements (SEP-IRAs) and savings incentive match plans for employees (Simple IRAs), in compliance with the Department of Labor regulations under section 408(b)(2) of the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), to disclose information about the services we provide to 401(k) programs and the compensation we receive for such services, Client acknowledges as follows:

- Adviser is an SEC-registered investment adviser and provides [non-discretionary/discretionary] investment recommendations to client;
- Description of Services. A general description of the investment advisory and other services that Adviser provides can be found in the subsection in the Agreement titled, "[Investment Responsibility/Services]," and in Adviser's Form ADV Part 2A ("Brochure") in the section titled, "Advisory Business;"
- Compensation.
    - *Direct Compensation:* We [do/do not] receive direct compensation from your plan for the services that we provide. The compensation that we receive is describe in the subsection in the Agreement titled "[Management Fees]/[Compensation]" and in Adviser's Brochure in the section titled, "Fees and Compensation" and "Performance-Based Fees and Side-by-Side Management;"
    - *Indirect Compensation:* We receive the following types of indirect compensation in connection with the services that we provide through the programs:
        - **Our fees:** [Description of fees received from affiliates.]
        - **Soft dollars:** [Describe if any, if none: Currently, Adviser does not have any written soft dollar arrangements with broker-dealers, and we do not direct Client transactions to particular broker-dealers in return for soft dollar benefits.]
        - **Affiliated products:** [Describe if any, if none: Currently, Adviser does not receive any additional compensation with respect to utilizing affiliated products in our recommendations or services.]
        - **Gifts and gratuities:** [Describe if any, if none: Adviser does not receive any non-cash, gifts, or gratuities in connection.]
        - [Describe any other indirect compensation received.]
    - *Compensation Paid Among Related Parties:* [Describe if any, if none: Adviser does not pay compensation to our affiliates or subcontractors on a transactional basis.]
    - *Compensation for Termination of Your Account:* [Describe if any, if none: Adviser does not receive a termination fee or apply a penalty when your account's enrollment is terminated.]

Appendix C: Letter to Client (Compliance with PTE 2020-2)

Dear **[Client Name]**:

We are writing you to disclose (i) that we are an investment fiduciary under, as applicable, Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), and the Internal Revenue Code of 1986, as amended (the Code); (ii) we must handle your account in accordance with the Department of Labor's Impartial Conduct Standards; (iii) the alternatives available to you when considering rolling your current retirement plan assets to an IRA rollover account; (iv) the conflicts associated with our advice; and (v) to share with you reasons why we believe the rollover is in your best interests.

Our Fiduciary Standard

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are a fiduciary within the meaning of the Code, which governs 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 (care obligation); a financial professional must investigate and evaluate investments, provide advice, and exercise sound judgment in the same way that knowledgeable and impartial professionals would in similar circumstances;
- 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.

Impartial Conducts Standards

With respect to your potential rollover of interests in your **[employer-sponsored]** retirement plan (the "Plan"), Impartial Conducts Standards require us 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 care obligation, the advice must meet a professional standard of care as specified in the text of the exemption; a financial professional must investigate and evaluate investments, provide advice, and exercise sound judgment in the same way that knowledgeable and impartial professionals would in similar circumstances;
    - Under the loyalty obligation, advice providers 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.

Alternative Courses of Action Available to You

- Assuming it is permitted by the Plan, you can leave your money in your current Plan.
- If you have changed employers, you can roll your assets into the new employer's Plan, if permissible by your new employer.
- You can establish an IRA R/O and place into a commission-based account at a broker-dealer.
- You can establish an IRA R/O and place into a fee-based advisory account.
- You can withdraw your retirement money and pay the taxes and any applicable penalties.

Although we believe given the current alternatives available to you and our belief that rolling your Plan assets into a fee-based advisory account is in your best interest, you should be aware of the conflicts of interest and added expense on your part.

Conflicts and Added Fees

As a fee-based investment adviser, we (and our investment adviser representatives) make more money either when your account assets grow or when you add money to your account. As a current Plan participant, you may be paying little or nothing for the Plan's investment services. As such, your costs are likely to be more post-rollover. We may compensate our investment professionals in a way that incrementally rewards them based on the level of aggregate revenue they generate for our firm. In this regard, we have policies and procedures for supervisory review to ensure we are advising you in a way that's in your best interests. In addition, we conduct an annual review of rollover transactions to ensure our business practices are aligned in a manner that places your interests first. Such annual review is provided to a member of our executive team who certifies the firm's compliance.

We do not engage in sales contests, production awards, or related giveaways that inhibit our ability to provide advice that's in your best interests. We regularly update our conflicts of interest and will update you accordingly on any material changes affecting our relationship with you.

Factors Considered in Making Our Recommendation

In arriving at our recommendation to you, we have considered the following factors **[modify as applicable]**:

- 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; and
- the different levels of services and investments available under the plan and the IRA.

See Addendum I to this communication.

We believe the higher ongoing cost of establishing an IRA R/O is justified given the investment choices and flexibility available to us, the ability to appropriately diversify your assets, our ability to advise you based upon the totality of your assets and not just the current assets in your IRA rollover, and the ongoing portfolio monitoring we conduct on your behalf **[describe additional services, if any]**. We trust this information has been helpful to you as you consider our recommendation.

Sincerely,

IAR Signature: _____

Printed Name: _____

Firm Affiliation: _____

Date: _____

Addendum I

[Attach separate analysis of Plan fees, investment options, and services and how the rollover fees and services, including any long-term impact of fees, taking into account any specific investment features (such as annuity surrender charges, index cap and participation rates) are in the long-term best interests of the retirement plan investor.]

APPENDIX D: Code of Ethics

Exchange Capital Management, Inc.
Code of Ethics

A. General

The Code of Ethics is predicated on the principle that Exchange Capital Management, Inc. ("Exchange Capital Management" or "the firm"), as well as all of the firm's officers, directors, employees, and independent contractors (hereinafter collectively referred to as "personnel"), owes a fiduciary duty to its clients. It is the responsibility of all personnel to ensure that the firm conducts its business with the highest level of ethical standards and in keeping with its fiduciary duties to its clients.

The firm and its personnel must avoid activities, interests, and relationships that run contrary to (or appear to run contrary to) the best interests of clients. At all times, personnel will be mindful to:

- **Place client interests ahead of the firm's.** As a fiduciary, the firm will serve in its clients' best interests. In other words, neither the firm nor its personnel may benefit at the expense of its clients.
- **Engage in personal investing that is in full compliance with the firm's Code of Ethics and Insider Trading Policies.** Personnel must review and abide by the firm's Code of Ethics and Insider Trading Policies, copies of which are provided to all applicable personnel at the commencement of their relationship with the firm and at least annually thereafter.
- **Avoid taking advantage of their position.** Personnel must not accept investment opportunities, gifts, or other gratuities from individuals seeking to conduct business with the firm or on behalf of an advisory client, unless in compliance with the firm's policies.
- **Maintain full compliance with federal securities laws.** Personnel must abide by the standards set forth in Rule 204A-1 under the Advisers Act and maintain full compliance with all other applicable federal securities laws.

Any questions with respect to the firm's Code of Ethics should be directed to the firm's Managing Principal or Chief Compliance Officer. As discussed in greater detail below, personnel must promptly report any violations of the Code of Ethics to the Chief Compliance Officer.

B. Risks

In developing this policy and the procedures related thereto, the firm considered the potential material risks that may give rise to a conflict of interest or a breach of its fiduciary duties. This analysis included an assessment of potential issues such as the following:

- Personnel engage in an abuse of access to non-public information (e.g., trading ahead of a client; passing information to others for their personal trading use).
- Personnel cherry pick clients' trades, systematically moving profitable trades to a personal account and leaving less profitable trades in client accounts.
- Personnel engage in an excessive volume of personal trading (as determined by the Chief Compliance Officer) that detracts from their ability to perform services for clients.

- Personnel take advantage of their position by accepting excessive gifts or other gratuities (including access to IPO investments) from individuals seeking to do business with the firm.
- Personnel engage in personal trading activity that does not comply with certain provisions of Rule 204A-1 under the Advisers Act.
- Personnel serve as a trustee and/or director of an outside organization(s) without prior review and approval of the Chief Compliance Officer.

The firm has established the following guidelines as an attempt to mitigate these risks.

C. Guiding Principles & Standards of Conduct

All personnel will act with competence, dignity, integrity, and in an ethical manner when dealing with clients, the public, prospects, and third-party service providers. The following set of principles frames the professional and ethical conduct that the firm expects from its personnel:

- Act with competence, integrity, diligence, respect, and in an ethical manner with the public, clients, prospective clients, and personnel.
- Place the integrity of the investment profession, the interests of clients, and the interests of the firm above one's own personal interests.
- Adhere to the fundamental standard that one should not take inappropriate advantage of one's position.
- Avoid any actual or potential material conflict of interest.
- Conduct all personal securities transactions and activities in a manner consistent with this policy.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect favorably on them and the profession.
- Promote the integrity of and uphold the rules governing capital markets.
- Maintain and improve one's professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of federal and state securities laws and any related regulations.

D. Personal Security Transaction Policy

Rule 204A-1 under the Advisers Act requires all Access Persons to report, and the firm's Chief Compliance Officer or designee to review, their personal securities transactions and holdings periodically as provided below. Rule 204A-1 under the Advisers Act defines an "Access Person" as 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 "Reportable Fund," as defined below; or
- who is involved in making securities recommendations to clients; or
- who has access to such recommendations that are nonpublic; and
- the firm's directors and officers.

For purposes of this definition, all investment advisory personnel are deemed to be an Access Person. Any professional that exclusively provides tax and/or risk insurance services is not considered an Access Person.

A "Reportable Fund" is any fund (i) for which the firm serves as an investment adviser as defined in Section 2(a)(20) of the Investment Company Act of 1940; or (ii) whose investment adviser or principal underwriter controls the firm, is controlled by the firm, or is under common control with the firm. For these purposes, "control" has the same meaning as it does in Section 2(a)(9) of the Investment Company Act of 1940.

Access Persons are subject to the firm's Personal Securities Transaction Policy and related procedures. Access Persons may not purchase or sell any security in which they have a beneficial interest unless the transaction complies with the Personal Securities Transaction Policy as set forth below. A list of current Access Persons is maintained as a separate schedule by the firm.

D.1. Trade Pre-Clearance Procedures

Access Persons shall not be required to obtain prior approval from the manager or designee for any personal trading activity other than for participation in limited offerings and initial public offerings ("IPOs"). All pre-clearance requests must be submitted to the manager or designee for review and approval. The Access Person cannot effect a securities transaction subject to the trade pre-clearance until approval has been granted.

D.2. Reportable Securities

The firm requires its Access Persons to provide periodic reports (see the Reporting section under this Codes of Ethics) regarding transactions and holdings in *any* security, except that Access Persons are not required to report the following exempted securities:

- Direct obligations of the government of the United States
- Bankers' acceptances, bank certificates of deposit, commercial paper, and high-quality short-term debt instruments, including repurchase agreements
- Shares issued by money market funds
- Shares issued by open-end funds other than reportable funds
- Shares issued by unit investment trusts that are invested exclusively in one or more open-end fund, none of which are reportable funds

Note: This exemption does not apply to shares of open-end mutual funds that are advised by the firm (or an affiliate) or are otherwise affiliated with the firm (or an affiliate). Access Persons must report any personal transaction in a reportable fund.

D.3. Reporting

To maintain compliance with Rule 204A-1 under the Advisers Act, the firm must collect the following three reports from its Access Persons that include transaction and holding information regarding the personal trading activities of the Access Persons.

D.3.a. Quarterly Transaction Reports

Access Persons shall be required to report all reportable securities transactions that they have made in securities accounts during the quarter, as well as any new securities accounts that they have opened during the quarter. In order to fulfill this reporting requirement, Access Persons will be required to submit a Quarterly Transaction Report provided by GS

Compliance Consulting via DocuSign no later than 30 days of the end of the quarter. The form defines "reportable" and "non-reportable" securities.

Transaction reports must include the following information:

- The date of the transaction, the title, and as applicable the exchange ticker symbol or CUSIP number, interest rate and maturity date, number of shares, and principal amount of each reportable security involved;
- The nature of the transaction (i.e., purchase, sale, or any other type of acquisition or disposition);
- 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 access person submits the report.

Note: Access Persons are reminded that they must also report their personal securities transactions and holdings as well as those of members of their immediate family, including spouse, children, and other members of the household, in accounts over which the Access Person has direct or indirect influence or control.

D.3.b. Initial and Annual Holdings Reports

New Access Persons are required to report all of their securities and securities accounts not later than 10 days after becoming an employee of the firm. All holdings reports must contain information that is current as of a date not more than 45 days prior to the date the person becomes an employee.

Access Persons are required to provide the Chief Compliance Officer with a complete list of reportable securities and securities accounts on an annual basis, or on or before February 14 of each year. The report shall be current as of December 31. Access Persons will be sent by GS Compliance Consulting via DocuSign the Annual Securities Holdings Report to complete. The report defines "reportable" and "non-reportable" securities.

Access Persons are required to submit their brokerage/custodial statements to the Chief Compliance Officer in order to fulfill the initial and annual holding requirements. However, Access Persons must be certain that their brokerage/custodial statements include at a minimum:

- The title and type of security;
- As applicable depending on the type of security, the exchange ticker symbol or CUSIP number, number of shares, and principal amount of each security;
- The name of any broker, dealer, investment company, or bank with which the Access Person maintains an account in which any security is held for the Access Person's direct or indirect benefit; and
- The date in which the Access Person submits the report.

D.3.c. Exceptions from Reporting Requirements

There are limited exceptions from certain of the three reporting requirements noted above. Specifically, Access Persons are not required to comply with the following:

- Quarterly transaction reporting for any transactions effected pursuant to an automatic investment plan.

- Any of the three reporting requirements with respect to securities held in securities accounts over which applicable Access Persons had no direct or indirect influence or control. Note, however, that the Chief Compliance Officer may request that the Access Person provide documentation to substantiate that such Access Person had no direct or indirect influence or control over the securities account (e.g., investment advisory agreement, etc.).

The Chief Compliance Officer will determine on a case-by-case basis whether an account qualifies for either of the aforementioned exceptions.

E. Trading and Review

The firm's Personal Securities Transaction Policy is designed to not only ensure its technical compliance with Rule 204A-1, but also to mitigate any potential material conflicts of interest associated with Access Persons' personal trading activities. Accordingly, the firm will closely monitor Access Persons' investment patterns to detect abuses, which may include but is not limited to trading in companies included on the Restricted and Watch Lists.

The firm maintains Restricted and Watch Lists that prohibit Access Persons from trading in certain securities under a variety of circumstances. The Restricted and Watch Lists consist of any securities that may pose a conflict of interest for Access Persons. The Restricted and Watch Lists are maintained and updated as necessary by the firm. Personal trading records of Access Persons are compared against the Restricted and Watch Lists, and any violations are reported to the Chief Compliance Officer.

The firm strictly forbids "front-running" client accounts, which is a practice generally understood to be Access Persons personally trading ahead of client accounts. If the firm discovers that one of its Access Persons is personally trading contrary to the policies set forth above, the Access Person shall meet with the Chief Compliance Officer to review the facts surrounding the transactions.

F. Reporting Violations and Remedial Actions

The firm takes the potential for conflicts of interest caused by personal investing very seriously. As such, the firm requires its Access Persons to promptly report any violations of the Code of Ethics to the Chief Compliance Officer. The Chief Compliance Officer is aware of the potential matters that may arise as a result of this requirement and shall take action against any Access Person that seeks retaliation against another for reporting violations of the Code of Ethics.

If any violation of the firm's Personal Securities Transaction Policy is determined to have occurred, the Chief Compliance Officer may impose sanctions and take such other actions including, without limitation, the following:

- Requiring that the trades in question be reversed
- Requiring the disgorgement of profits or gifts
- Issuing a letter of caution or warning
- Issuing a suspension of personal trading rights or suspension of employment (with or without compensation)
- Imposing a fine
- Making a civil referral to the SEC
- Making a criminal referral
- Terminating employment for cause
- Any combination of the foregoing

All sanctions and other actions taken shall be in accordance with applicable employment laws and regulations. Any profits or gifts forfeited shall be paid to the applicable client(s), if any, or given to a charity, as the Chief Compliance Officer shall determine is appropriate.

G. Confidentiality

Access Persons are prohibited from revealing information relating to the investment intentions, activities, or portfolios of advisory clients except to persons whose responsibilities require knowledge of the information.

H. Privacy of Client Information

Neither the firm nor any of its personnel should disclose any nonpublic personal information about a client to any nonaffiliated third party, other than to provide services to the client, unless the client expressly gives permission to the firm to do so. All investment advisory agreements, if applicable, should include express permission to the firm to share certain nonpublic information with nonaffiliated third parties for purposes of performing the firm's services and assisting in the implementation of a client's financial plan.

I. Firm Opportunities

Personnel may not take personal advantage of any opportunity properly belonging to any advisory client or the firm. This includes, but is not limited to, acquiring reportable securities for one's own account that would otherwise be acquired for an advisory client.

J. Undue Influence

Access Persons shall not cause or attempt to cause any advisory client to purchase, sell, or hold any security in a manner calculated to create any personal benefit to such Access Person. If an Access Person stands to benefit from an investment decision for an advisory client that the Access Person is recommending or participating in, the Access Person must disclose to those persons with authority to make investment decisions for the advisory client the full nature of the beneficial interest that the Access Person has in that security, any derivative security of that security or the security issuer, where the decision could create a material benefit to the Access Person or the appearance of impropriety. The person to whom the Access Person reports the interest, in consultation with the Chief Compliance Officer, must determine whether or not the Access Person will be restricted in making investment decisions with respect to the subject security.

K. Compliance Certification

The firm is required to provide a copy of the Code of Ethics and amendments thereto to all personnel, and all personnel shall sign a certificate promptly upon becoming employed or otherwise associated with the firm, and annually thereafter, that evidences their receipt of this Code of Ethics and any amendments thereto. In addition, all Access Persons shall submit a complete report of their securities holdings. Annually in the month of January, all personnel will again be required to certify compliance by completing the Annual Policies Certification, which will be sent by GS Compliance Consulting via DocuSign.

L. Recordkeeping

The firm shall maintain a copy of its Codes of Ethics (and amendments), records of violations of the Code of Ethics, and actions taken as a result of the violations. In addition, the firm shall maintain copies of the written acknowledgments of receipt of the Code of Ethics (see Compliance Certification section above). The firm is further required to keep a record of the names of its Access

Persons, the holdings and transaction reports made by Access Persons, and a record of any decisions to approve investments in IPOs and limited or private offerings. The firm must use reasonable diligence and institute procedures reasonably necessary to prevent violations of its Code of Ethics.

M. Responsibility

The Chief Compliance Officer and/or designee(s) will be responsible for administering the Personal Securities Transaction Policy. All questions regarding the policy should be directed to the Chief Compliance Officer.

APPENDIX E: Event & Entertainment Guidelines

Event & Entertainment Guidelines

Definitions

Gift - Cash or non-cash compensation, where non-cash compensation shall mean any form of compensation that is not cash, including but not limited to merchandise, gifts and prizes, travel expenses, meals, and lodging. (Examples: tickets to sporting events or theater, caps, pens, golf equipment.)

Event – Firm-sponsored occasion involving multiple clients or prospects where there is no common relationship or transaction among the attendees, other than their business relationship or acquaintance with the firm. (Examples: golf outings, holiday parties.)

Entertainment - A professional of the firm accompanies the client or prospect to dinner, sporting event, theater, etc.

Restrictions Applicable to Gifts

No employee of the firm shall, directly or indirectly, give or permit to be given anything of value, including gratuities, to any person, principal, proprietor, employee, agent, or representative of another person where such payment or gratuity is in relation to the business of the employer of the recipient of the payment or gratuity, absent approval by the Chief Compliance Officer or designee. A gift of any kind is considered a gratuity.

By way of example, the following types of activities are strictly prohibited:

- Paying an attendee's airfare to a firm-sponsored meeting or event.
- Giving a case of fine wine or scotch, golf clubs, or tennis rackets to a client or prospect.
- Purchasing season tickets to a sporting or theater event and giving the season's allotment or significant portion thereof to one client or prospect.
- Paying for getaway weekends for a client or prospect (e.g., lodging expense, travel, etc.).

A Word About Entertainment

An occasional meal, a ticket to a sporting event or the theater, or comparable entertainment that an employee attends with the client, which is neither so frequent nor so extensive as to raise any question of impropriety, is permissible. However, the fact that an employee accompanies a client is not in and of itself sufficient basis to avoid the restrictions on gifts. One needs to look at the frequency of inviting the same client or prospect, expense, business purpose, etc. Questions regarding gifts and entertainment, whether general or focused upon a particular planned gift or event, should be directed to the Manager and/or Chief Compliance Officer.

Events

Events are a form of entertainment for a significant but targeted group of people and involve sponsorship by the firm. Events take a considerable amount of planning, generally carry considerable cost, and may involve advertising. Elaborate entertainment or other such functions at the event that are unrelated to the business purpose are highly suspect. In consideration of all these things, it is important that the professional requesting permission for sponsoring an event

be able to present a sound business case for having it. In addition, there are certain approvals required from key personnel within the firm to ensure compliance with the firm's marketing, compliance, and business standards. To ensure that all required information is captured in a consistent format, the professional requesting sponsorship for the event must complete and submit an Event Request Form before any significant planning, purchases associated with the event, or advertisement about the event is commenced.

Event Request Form and Process

The requesting professional must indicate the following information in writing and submit it to the firm's Manager and Chief Compliance Officer for approval:

- The name of the sponsoring individual (Executive Sponsor)
- Brief description of the event
- Date(s) for the event
- Proposed location for the event
- Business case
- Anticipated cost, with supporting documentation when available
- Information regarding gifts and premiums to be given, with pricing information when available
- List of proposed attendees (prospects, clients, and non-firm business associates)
- List of attendees from the firm
- Agenda, including details on all firm-sponsored meetings
- Information on planned side functions for the enjoyment of attendees (e.g., celebration parties, day cruises, costumed functions, etc.)
- Copies of proposed advertisements and sales literature (e.g., invitations, press releases)

Upon obtaining approval for the event from the Manager and the Chief Compliance Officer, the requesting professional may then proceed with the planning and implementation of the event in accordance with any directions and approvals given. Planning and implementation must be coordinated through the firm's Chief Compliance Officer or designee.

Event Request Form

All firm employees who intend to plan and sponsor an event for the firm's prospects, clients, and associates must submit a completed copy of the Event Request Form before any significant planning, purchases associated with the event, or advertisement about the event is commenced. Once your request to sponsor the event described below has been reviewed, you will be given back a copy of this document with information about any additional guidelines and directions that must be followed for the particular event.

Requesting Employee Name: _____ Phone: _____

Sponsoring Employee (Executive): _____ Phone: _____

Brief description of the event: _____

_____

_____

Proposed date(s) for event: _____ Location: _____

Business case (reason) for the event: _____

_____

_____

Anticipated costs (total and/or per person): _____

Please attach copies of event location, catering, and related cost proposals, if applicable.

Information regarding gifts/premiums to be given (including costs): _____

_____

_____

_____

Please attach copies of catalogue pages, proposals, etc., associated with the above.

List of proposed prospect/client/business relationship attendees. (Alternatively, you may attach a separate document or spreadsheet listing all proposed attendees. If doing so, please indicate here.):

_____

_____

_____

_____

List of proposed attendees of the firm. (Alternatively, you may attach a separate document or spreadsheet listing all proposed attendees. If doing so, please indicate here.):

_____

_____

Proposed agenda, including firm-sponsored meetings and information on all functions being held for entertainment. (Alternatively, you may attach a separate document that provides this information. If doing so, please indicate here.):

_____

_____

_____

_____

Please attach a copy of any and all proposed advertising (e.g., invitations).

Employee Signature: _____ Date: _____

Authorized Signature: _____ Date: _____

Directions/Comments: _____

_____

_____

_____

_____

APPENDIX F: Outside Business Activities Approval Request Form

Outside Business Activities Approval Request Form

In keeping with federal and state regulations as well as the firm's policies and procedures, all employees must obtain approval from the Chief Compliance Officer to participate in any outside business activities prior to engaging in such activity. Additionally, employees are reminded to provide updates regarding their outside business activities as circumstances warrant.

Please provide the following information regarding the intended outside business activity. Once your request to participate in the outside business activity noted below has been reviewed, you will be notified as to whether you may engage in that activity.

Employee Name: _____ Title: _____

Employee Phone Number: _____

Name of entity in which you seek involvement: _____

_____

Nature of entity (purpose for its formation or type of business in which it is engaged): _____

_____

Date upon which you became/will become affiliated with the entity: _____

Please disclose actual or potential conflicts of interest with the firm, its related entities, officers, directors, employees, or service providers: _____

_____

_____

_____

What role will you fill while engaged in the outside business activity?

- ❑ Employee
- ❑ Independent Contractor/Consultant
- ❑ Expert Witness
- ❑ Finder/Referral Source
- ❑ Partner
  - ❑ Officer or Director
- ❑ Trustee
- ❑ Other Explain: _____

Nature of your involvement: _____

_____

_____

How much time do you expect to spend per week or month? _____

_____

Do you anticipate that time spent in this activity will overlap with the firm's normal business hours?

❑ Yes ❑ No

If Yes, explain: _____

_____

_____

Will you be compensated for your role in this outside business activity? (Note that compensation may include a salary, stock options or warrants, referral fees, provision of services or products, or any other form of remuneration.)

❑ Yes ❑ No

If Yes, explain: _____

_____

_____

What is the total value of your expected compensation? _____

_____

_____

Employee Signature: _____ Date: _____

Authorized Signature: _____ Date: _____

Comments/Restrictions: _____

_____

_____

_____

APPENDIX G: Privacy Notice

FACTS	**What Does Exchange Capital Management, Inc. ("ECM") Do With Your Personal Information?**
The Law	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share and protect your personal information. Please read this notice carefully to understand what we do.
Our Policy	The types of personal information we collect and share depend on the product or service you have with us. This information can include: • Income • Employment and residential information • Social security number • Cash balance • Security balances • Transaction detail history • Investment objectives, goals, and risk tolerance When you are *no longer* a client, we continue to share your information as described in this notice.
Your Rights	All financial companies need to share customers' personal information to run their everyday business. We list below the reasons financial companies can share their customers' personal information; the reasons ECM chooses to share; and whether you can limit this sharing.

Definitions	
Everyday Business Purposes	The actions necessary by financial companies to run their business and manage customer accounts, such as providing investment advisory and financial planning advice, processing securities transactions, and otherwise providing financial services to you.
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ECM does not have any affiliates.
Non-Affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. Exchange Capital Management does not share information with non-affiliates for marketing purposes.
Joint Marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ECM does not engage in joint marketing with non-affiliates.

Reasons we can share your personal information	Does ECM share?	Can you limit this sharing?
For our everyday business purposes—such as to provide advice, process your transactions, and maintain your account(s)	Yes	No
For our marketing purposes—to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We do not share
For our affiliates' everyday business purposes—information about your transactions and experiences	No	We do not share
For our affiliates' everyday business purposes—information about your creditworthiness	No	We do not share
For our affiliates to market to you	No	We do not share
For non-affiliates to market to you	No	We do not share
Contact Us	Call ECM at 734-761-6500	

Sharing Practices	
How often does ECM notify me about their practices?	We must notify you about our sharing practices when you become a client or if we change our information sharing policies and procedures.
How does ECM protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does ECM collect my personal information?	We collect your personal information, for example, when you • establish an investment advisory relationship • contract for financial planning services • open an account or deposit money with custodians • purchase or sell securities with executing broker-dealers We also collect your personal information from others, such as custodians, broker-dealers, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit sharing only for • affiliates' everyday business purposes—information about your creditworthiness • affiliates to market to you • non-affiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

If you wish to modify or impose reasonable restrictions concerning the management of your account, or if your financial situation, investment objectives, or risk tolerance have changed, please contact your Exchange Capital Management investment advisor representative or contact the firm's CCO at 734-761-6500. We will contact you at least annually to determine if your investment goals, objectives, and risk tolerance have changed.

We urge that you advise us immediately if you have not received your custodian or brokerage statement, which is required to be delivered to you no less frequently than quarterly. In addition, please compare any account information provided by us with account statements from your broker-dealer or custodian and to advise us of any discrepancies. The official record of your account is maintained by your broker-dealer or custodian. Thank you.

APPENDIX H: Business Continuity Plan

Business Continuity Plan ("BCP")

Emergency Contact Persons

The firm's critical vendor contact information as well as employee contact information including cell phone number, home address, and alternate email address are maintained by the firm in a separate document.

The firm's administrative manager will update the emergency contact information as needed, but will confirm on a quarterly basis at minimum whether the information currently on file is accurate.

Firm's Policy in Responding to SBDs

The firm's policy is to respond to any significant business disruption ("SBD") so as to:

- Safeguard employees' lives and the firm's property, including all of the firm's books and records
- Make a financial and operational assessment
- Quickly recover and resume operations
- Make applicable regulatory filings
- Provide the firm's clients with the ability to communicate with appropriate investment advisory professionals

The firm's plan anticipates two kinds of SBDs:

- *Internal SBDs* affect only the firm's ability to communicate and do business, such as a fire in one of the buildings where the firm's personnel are employed.
- *External SBDs* prevent the operation of a number of firms and/or the securities markets, such as a terrorist attack, natural disaster, or wide-scale, regional disruption such as a power outage. The firm's response to external SBDs relies more heavily on other organizations and systems' BCPs because the firm relies on them for business continuity planning, training, and implementation

Approval and Execution Authority

Kevin McVeigh has the authority to execute this BCP and is responsible for initially approving the firm's BCP and for conducting a required annual plan review.

Plan Location and Access

The firm will maintain copies of its current BCP, the annual reviews, and records of any changes that have been made to the BCP for inspection. Electronic copies of the firm's current BCP are stored within the CCO's files.

Business Description

The firm provides investment advisory services.

Office Locations

303 Detroit Street, Suite 203, Ann Arbor, MI 48104 is the location of the firm's corporate headquarters. It maintains copies of all corporate records, all employee registration files, advertising, sales literature, complaints, client engagement contracts, client acceptance paperwork, and similar records.

Electronic records are maintained by the firm's applicable vendors.

Employees of the firm may travel to their primary office location or client site by means of foot, car, subway, train, bus, boat, or plane.

Alternative Physical Locations of Employees

In the event of an SBD, the firm will allow the affected personnel to work from home so long as they can connect with the firm's network. If working from home is not an option, the firm will work with neighboring businesses to find adequate workspace for the firm's staff. The firm maintains a list of available executive suite locations for immediate use as well as available office space where mid-term and long-term space is available.

Clients' Access to Funds and Securities

The firm does not maintain custody of its clients' funds or securities.

Data Back-Up and Recovery (Hard Copy and Electronic)

The firm maintains its primary hard copy books and records, including legal and regulatory filings and financial records, at its corporate headquarters. Individual client files and certain other files, such as advertising, sales literature, complaints, human resource records, etc., are maintained at the headquarters office location.

Electronic email records are maintained with Global Relay Communications, Inc. The firm backs up its electronic records daily by a third-party data warehousing provider. In the event of an internal or external SBD that causes the loss of paper records, the firm will physically recover them from the firm's back-up site. If the primary site is inoperable, the firm will continue operations from a back-up site or an alternate location. For the loss of electronic records, the firm will either physically recover the storage media or electronically recover data from its back-up site.

Access to Software, Passwords, and User Access Instructions

The firm and its affiliates' disaster recovery and back-up manager or designee shall store the following information in its headquarters and the offsite location:

- Instructions to access each software program utilized by the firm's professionals
- List of user names, user IDs, and passwords
- List of authorized administrators (preferably residing in different office locations)
- Bank access and names of authorized individuals who can deal with and otherwise effect transactions with the bank on behalf of the firm and its affiliates

Financial and Operational Assessments

Operational Risk

In the event of an SBD, the firm will immediately identify which means of communication are available for use with its clients, employees, critical business constituents, critical banks, and

regulators. The means of communication to be identified as available will include telephone/voice mail, including a special line for clients, employees, and business constituents; facsimile transmission; and communication through the postal service, carrier, or courier as applicable. In addition, the firm will retrieve key activity records as described in the Data Back-Up and Recovery section above.

Financial and Credit Risk

In the event of an SBD, the firm will determine the value and liquidity of its investments and other assets to evaluate its ability to continue to fund operations. The firm will contact its critical banks and investors to apprise them of its financial status. If the firm determines that it may be unable to meet its obligations or otherwise continue to fund operations, it will request additional financing from its bank or other credit sources to fulfill its obligations to its clients. If the firm cannot remedy a capital deficiency, it will take appropriate steps to negotiate with other financing sources, including key service vendors.

Mission Critical Systems

The firm's "mission critical systems" are those that ensure prompt and accurate processing of financial and accounting data, including data concerning individual engagements, client acceptance, information evidencing compliance with anti-money laundering requirements, and the firm's email quarantine and archival system.

The firm has sole responsibility for establishing and maintaining business relationships with its clients. The firm will maintain a business continuity plan and the capacity to execute that plan.

The firm backs up its records and stores them at a remote or out-of-region site. The firm has also confirmed the effectiveness of its back-up arrangements by testing to recover from a wide-scale disruption; the firm tests its back-up arrangements periodically.

Recovery-time objectives provide concrete goals to plan for and test against. They are not, however, hard and fast deadlines that must be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption, and status of critical infrastructure—particularly telecommunications—can affect actual recovery times. Recovery refers to the restoration of communication and record retention activities after a wide-scale disruption; resumption refers to the capacity to accept and process new transactions after a wide-scale disruption. The firm's BCPSP generally has the following SBD recovery time and resumption objectives: recovery time period of 48 hours; resumption time of an additional 24 hours.

Alternate Communications Between the Firm and Its Clients, Employees, and Regulators

Clients

The firm currently communicates with its clients via telephone, email, the firm's website, facsimile, U.S. mail, and in-person visits at either its offices or at the client's location. In the event of an SBD, the firm will assess which means of communication are still available and use the means that are most like those that were used in the past to communicate with the client (considering both speed and form). For example, if the firm previously communicated with a client by email but the internet is unavailable as a result of the SBD, the firm's representatives may opt to call the client and then follow up, where a record is needed, with a paper copy sent via U.S. mail.

Employees

The firm currently communicates with its employees in person and/or by telephone, email, or U.S. mail. In the event of an SBD, the firm will assess which means of communication are still available and use the means that are most like those that were used in the past to communicate with the employees (considering both speed and form). Where telephone communication is still available, the firm will also employ a call tree so that senior management can quickly reach all its personnel and key constituents. Copies of the firm's employee contact list are regularly updated to include the most recent office, home, and cell phone information for each employee. The contact list is available online to appropriate personnel.

Regulators

The firm is currently registered with the SEC as an investment advisor under the Investment Advisors Act of 1940. The firm communicates with its regulators via telephone, email, fax, U.S. mail, and in person. In the event of an SBD, the firm will assess which means of communication are still available and use the means that are most like those that were used in the past to communicate with the regulator (considering both speed and form).

Critical Business Constituents, Banks, and Counterparties

Business Constituents

The firm has contacted its critical business constituents (businesses with which the firm has an ongoing commercial relationship in support of its operating activities) and determined the extent to which the firm can continue its business relationship with them in light of an internal or external SBD. The firm will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when the firm needs them because of an SBD.

Banks

The firm has contacted its banks and lenders to determine if they can continue to provide the financing that the firm will need in light of an internal or external SBD. The bank maintaining the firm's operating account is Charles Schwab & Co., Inc. If the firm's banks and other lenders are unable to provide financing, the firm will seek alternative financing immediately.

Regulatory Reporting

The firm is subject to regulation by the SEC. The firm currently files reports with its regulators electronically via fax, email, and the Internet. In the event of an SBD, the firm will check with its regulators to determine which means of filing are still available to use and will use the means closest in speed and form (written or oral) to previous filing method(s) used. In the event that the firm cannot contact its regulators, the firm will continue to file required reports using the communication means it finds are still available. The firm's primary regulatory contact currently is the CCO.

Disclosure of Business Continuity Plan

The firm makes its hard copy available in its headquarters office.

Testing of the Plan

No less frequently than annually, the firm shall conduct a test to ensure that its personnel review the following items, to be addressed in your testing memo:

- Current vendors
- System access
- Personnel assignments
- Current identity theft, virus protection, anti-spam, encryption
- Insurance coverage as it relates to risk of data theft and related issues
- Remote access of data and information
- Recovery of data from the prior night's close of business
- Confirmation of vendor internal testing
- How anomalies are identified and corrected by vendor

APPENDIX I: Fee Billing Audit Spreadsheet

[Refer to Excel file titled Exchange Capital COPM_Appendix I Fee Billing Audit Streadsheet.xlsx.]