

**OMB APPROVAL**

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**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1**

Name of Investment Adviser: Xtent Capital Advisers, LLC				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
608 S. King Street	Leesburg	VA	20175	800-999-9655

**This part of FORM ADV gives information about the investment adviser and its business for the use of clients.  
 The information has not been approved or verified by any government authority.**

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(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form  
 are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Xtent Capital Advisers, LLC

SEC File Number:

801-

Date:

07/27/2010

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |                                     |  |    |   |
|-------------------------------------|--|----|---|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services .....   | 50 | % |
| <input checked="" type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services.....  | 50 | % |
| <input type="checkbox"/>            | (3) Furnishes investment advice through consultations not included in either service described above...  |    | % |
| <input type="checkbox"/>            | (4) Issues periodicals about securities by subscription .....  |    | % |
| <input type="checkbox"/>            | (5) Issues special reports about securities not included in any service described above.....   |    | % |
| <input type="checkbox"/>            | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... |    | % |
| <input type="checkbox"/>            | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities...   |    | % |
| <input type="checkbox"/>            | (8) Provides a timing service .....  |    | % |
| <input type="checkbox"/>            | (9) Furnishes advice about securities in any manner not described above.....   |    | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . .

Yes ☐ No ☒

C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges                                     | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees)       | <input checked="" type="checkbox"/> (6) Other  |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Individuals           | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions     | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies             | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input type="checkbox"/> D. Pension and profit sharing plans |  |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Equity securities                            | <input type="checkbox"/> H. United States government securities      |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                  | <input checked="" type="checkbox"/> I. Options contracts on:         |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter          | <input type="checkbox"/> (1) securities                              |
| <input type="checkbox"/> (3) Foreign issuers  | <input type="checkbox"/> (2) commodities                             |
| <input type="checkbox"/> B. Warrants  | <input type="checkbox"/> J. Futures contracts on:                    |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles                               |
| <input type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> (2) intangibles                             |
| <input type="checkbox"/> E. Certificates of deposit                                 | <input type="checkbox"/> K. Interests in partnerships investing in:  |
| <input type="checkbox"/> F. Municipal securities                                    | <input type="checkbox"/> (1) real estate                             |
| <input type="checkbox"/> G. Investment company securities:                          | <input type="checkbox"/> (2) oil and gas interests                   |
| <input type="checkbox"/> (1) variable life insurance                                | <input type="checkbox"/> (3) other (explain on Schedule F)           |
| <input type="checkbox"/> (2) variable annuities                                     | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (3) mutual fund shares                                     |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Charting  | (4) <input type="checkbox"/> Cyclical                                 |
| (2) <input type="checkbox"/> Fundamental          | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical |   |

B. The main sources of information applicant uses include: (check those that apply)

- |  |   |
|--|---|
| (1) <input type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services                                |
| (2) <input type="checkbox"/> Inspections of corporate activities   | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the |
| (3) <input type="checkbox"/> Research materials prepared by others | Securities and Exchange Commission  |
| (4) <input type="checkbox"/> Corporate rating services             | (7) <input type="checkbox"/> Company press releases                         |
|  | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)       |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales   |   |

**FORM ADV**  
**Part II - Page 4**

Applicant: Xtent Capital Advisers, LLC

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**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... Yes No  
☒ ☐

(If yes, please describe these standards on Schedule F)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- formal education after high school
- year of birth
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☐ C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input checked="" type="checkbox"/> (1) broker-dealer  | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.. Yes No  
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)**

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**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☒ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☒ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sell for itself securities it also recommended to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other condition for starting or maintaining an account?

Yes No  
☒ ☐

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

See Schedule F.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Schedule F.

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**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |   |                             |
|--|---|-----------------------------|
| (1) securities to be bought or sold? .....           | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of securities to be bought or sold? ..... | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? .....               | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? .....                     | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... Yes ☒ No ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... Yes ☐ No ☒
- B. directly or indirectly compensates any person for client referrals? ..... Yes ☐ No ☒

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?..... Yes ☐ No ☒

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
Xtent Capital Advisers, LLC

SEC File Number:  
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Date:  
07/27/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	See attached Schedule F.	

(Complete amended pages in full, circle amended items and file with execution page (page 1)).

## **Disclosure Document SEC Form ADV, Part II Schedule F**

All SEC registered investment advisers are required to file form ADV, Part I with the Securities and Exchange Commission. Part II of Form ADV contains additional information which the SEC requires each registered investment adviser to disclose to investors.

This booklet is Schedule F, which supplements the initial Form ADV, Part II. The purpose of this document is to inform you of all material aspects of our organization, its fees and services and key personnel. It is provided to new clients and also offered to all existing clients annually.

**Xtent Capital Advisers, LLC**  
608 South King Street  
Leesburg, Virginia 20175  
Ph: 1-800-999-9655



**Item 1 – Advisory Services and Fees**

**Advisory Services**

**Item 1.A.** Xtent Capital Advisers, LLC (“XCA” or the “Adviser”) provides investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities located in the United States. XCA has full discretionary authority in all client accounts to purchase, hold or sell securities of all kinds. Such services are provided to clients based on the predetermined investment objectives of each client.

During initial meetings with prospective clients, XCA, among other things, identifies each client’s goals and investment objectives and discusses XCA’s basic fee structure. XCA’s basic fee structure is described below.

After identifying a potential client’s investment objectives and goals, if such potential client has a current investment portfolio, XCA will evaluate the portfolio in connection with our analysis of a client’s risk tolerance and diversification and capital preservation strategies. If a client elects to retain XCA as its investment adviser, such investment objectives and goals and risk tolerances are taken into account in determining the inventory of such person’s portfolio.

XCA encourages each client to meet with a principal of XCA on a quarterly basis and requires a meeting at least annually. At the quarterly or annual meetings, as applicable, XCA requests that each client share any changes in its objectives, financial situation, risk tolerances, financial goals, etc. A client is also encouraged to share any such changes with XCA at any time.

If a potential client elects to retain XCA as its investment adviser for a privately managed investment account (“PMA”), such client is provided with the following documents: (1) Privately Managed Account Acknowledgement Letter, (2) New Account Information Sheet (which requests information from clients relating to basic client information as well as information required by the U.S. Securities Laws and the USA Patriot Act), (3) Investment Management Agreement (Qualified or Non-Qualified, as applicable), (4) Letter of Authorization, (5) Investor Questionnaire, (6) XCA’s Privacy Policy and (7) XCA’s Disclosure Document (Form ADV, Part II).

**Fees**

XCA’s standard fee schedule for qualified clients consists of an asset-based management fee, performance fee and a

capital preservation fee. The standard asset-based management fee charged by XCA depends upon the size of an account and the qualifications of the client. For qualified clients, the fee ranges from a minimum flat fee of \$1,000.00 to a percentage fee ranging between .70% and .95% of assets under management. The standard asset-based management fee charged by XCA for non-qualified clients ranges from a flat annual fee of \$2,000 for accounts with \$100,000 or less of assets under management of XCA, to a percentage based fee of between 1.5% and 1.9% of assets under management. The asset-based management fees are payable on a monthly basis, i.e., 1/12% of the flat fee or the applicable annual rate per month, in arrears. The performance fee charged to qualified clients is payable on an annual basis based on the net asset value of a client’s account on December 31<sup>st</sup> of each year. The performance fee charged to qualified clients is 10% of the first 15% of appreciation in net asset value of such client’s account during such year and 20% of the appreciation in value of such client’s account in excess of 15% during the same period. In addition to the asset-based management fee, the following capital preservation fee is due and payable by all qualified clients with respect to the account at the end of each calendar year and reflects the Adviser’s risk management philosophy of focusing on capital preservation. The capital preservation fee is calculated as follows: in the event that the S&P 500 index declines in a particular year and the percentage decline of the client’s account is less than the percentage decline of the S&P 500 for each calendar year, the Adviser shall receive 20% of the difference between the respective percentage declines of the S&P 500 and the account during such period. The performance fee and the capital preservation fee, if earned, must each be paid by qualified clients once per year after such clients receive an invoice generated after year-end. XCA’s fee schedule is negotiable.

As set forth in the standard form of Investment Management Agreement, clients of XCA who utilize a PMA may terminate the Investment Management Agreement and thus, the use of XCA’s investment advisory services, at any time by providing XCA with written notice of such termination. The termination will be effective on the first business day following the receipt by XCA of such notice of termination.

**Item 3 - Other Types of Investments**

**Item 3.L.** In addition to exchange-listed securities, over the counter-securities and options contracts or securities, as suitable for a particular client, XCA may also invest a client’s assets in certain private placement transactions, including investments in partnerships, limited liability companies or other entities on behalf of its clients. These investments may include, among other things, investments in entities in various

## S.E.C. Form ADV, Part II – Schedule F, continued

lines of business. XCA may invest client assets in debt and/or equity interests of V1 Leasing, LLC. V1 Leasing, LLC is a regional airline aircraft leasing company of which Ben K. Bartel is the President, and which company is owned by Suzanne Elizabeth Bartel, Ben K. Bartel's wife, and Lloyd Bartel, Ben K. Bartel's father. Due to Ben K. Bartel's position and his relationship with the owners of V1 Leasing, LLC, he may receive direct or indirect compensation from V1 Leasing as a result of a client's investments in the entity.

### **Item 4 – Methods of Analysis, Sources of Information and Investment Strategies**

#### **Investment Strategies**

**Item 4.A.(5). Methods of Analysis.** XCA applies Quantitative Mathematics and Risk Analysis to the financial markets as a method of analyzing which securities to purchase for clients. Using Economics, Stochastic Calculus, and Financial Risk Modeling and Analysis in which econometric techniques are used to determine the aggregate risk in a financial portfolio. Risk modeling is one of many subtasks within the broader area of financial modeling. Risk modeling uses a variety of techniques including market risk, value at risk (VaR), historical simulation (HS), or extreme value theory (EVT or CVar) in order to analyze a portfolio and make forecasts of the likely losses that would be incurred for a variety of risks. Through this analysis the Adviser is able to obtain "*fair-value pricing*" of options in order to effect volatility dispersion trading and mean reversion trading.

**Item 4.B. (8) Sources of Information.** XCA utilizes the following sources of information in analyzing potential investments: OpEval Pro software, OptionVue Systems software, Cymborg software and various additional Software Risk Modeling Modules. These data analyzing programs are used to analyze particular investments and help to make investment decisions.

#### **Item 4. C. - Investment Strategies.**

XCA's investment philosophy focuses on preservation of capital by protecting and preserving client's investment capital using professional institutional risk management practices to reduce downside risk and by eliminating the common practice of investing in high return/high risk products to overcome losses.

See also **Item 4. A. (5) - Methods of Analysis** above.

Jason T. Meil is the Chief Investment Officer and Chief Compliance Officer of XCA. From 2006 to 2009, he was Senior Vice President and Director of Trading and Operations at Shephard & Vrbanc Securities, Inc. From 2003-2006, he was an Investment Specialist and Registered Investment Adviser Representative at Capitol Financial Partners. Mr. Meil also worked at the NYSE and had CBOE Internships. Ben K. Bartel is the Chief Executive Officer of XCA. Mr. Meil and Mr. Bartel make all decisions relating to the investment strategies employed on behalf of XCA's clients. Mr. Meil and Mr. Bartel make such decisions after receiving, reviewing and analyzing information relating to investments.

If a prospective client elects to retain XCA as its investment adviser for a PMA, their investment objectives are agreed upon. Upon making such election, such person executes a standard Investment Management Agreement (Qualified or Non-Qualified, as applicable) and other documents as set forth in **Item 1** and such client selects a custodian for the purpose of holding the securities or other assets to be held in such client's portfolio. XCA recommends Penson Financial Services, Inc. as custodian to its clients. XCA uses various brokers to execute transactions on behalf of its clients and the use of such brokers is in the discretion of XCA in its capacity as adviser. Such discretion is exercised consistently with the investment objectives of XCA's clients and XCA's duty of best execution. XCA does not accept directed brokerage arrangements. XCA currently utilizes the brokerage services of Xtent Financial Group, Inc. and Penson Financial Services, Inc. to execute transactions for the PMAs and generally recommends that a client's custody assets with Penson Financial Services, Inc. XCA may use additional brokers and custodians or discontinue the use of any broker or custodian in its discretion at any time. XCA determines which broker has the best execution in the exercise of its discretion as adviser. Such determination is consistent with the investment objectives of its clients. XCA conducts equity security transactions using a broker and in such instances, it is customary to pay a commission fee. XCA, through its related party, Xtent Financial Group, Inc. ("**XFG**") does act as an introducing broker to Penson Financial Services, Inc. in its transactions and XFG is compensated for such service by clients.

Not all securities that XCA trades are listed on a major exchange. When dealing with a security not listed on any such exchange, rather than effecting the trade of the security on a principal basis, XCA generally uses an agency to execute the trade. In some cases this may require a mark-up or mark-down which is included in the offer or bid price of the securities purchased or sold.

## S.E.C. Form ADV, Part II – Schedule F, continued

XCA's investment strategies are intended to meet the objectives of its clients. Clients are encouraged to contact XCA at any time if there are any changes in a client's financial situation or investment objectives or if a client wishes to impose, add or modify any reasonable restrictions on the management of their account with XCA. Changing investment objectives of clients, if any, are discussed at quarterly or annual meetings with clients.

### Item 5 - Education and Business Standards

Persons who are involved in determining and giving investment advice to clients are required to have, at a minimum, a bachelors degree.

### Item 6 - Education and Business Background

#### Investment Managers and Officer

Jason T. Meil was born in 1981, earned a bachelors degree in Finance and Economics from the University of Maryland in 2003. He holds the following licenses: Series 4 Registered Options and Securities Futures Principal, Series 7 General Securities Rep, Series 24 General Securities Principal, Series 28 Financial and Operations Principal, Series 66 Investment Adviser Exam and State Securities Exam. Mr. Meil attended the American Academy of Financial Management and has a Chartered Economist (Ch.E.) Designation, Chartered Market Analyst (CMA) Designation, and is a Fellow of American Academy of Financial Management (FAAFM) Designation. Mr. Meil also attended the New York Institute of Finance where he earned an Advanced Certificate in Derivatives and Risk Management and also attended the CBOE Options Institute for Advanced Options Trading and Risk Management.

Mr. Meil and Mr. Bartel make all decisions relating to the investment strategies employed on behalf of XCA's clients. Mr. Meil and Mr. Bartel make such decisions after receiving, reviewing and analyzing information relating to investments.

Mr. Ben Kent Bartel is the Chief Executive Officer of XCA and was born in 1960. He earned a bachelors degree in Business Management from Ohio University in 1983 and a masters degree in Finance from New York University in 1991. From June 2005 until present, Mr. Bartel is President of V1 Leasing, LLC, a regional airliner lessor. From 1999 to 2005, Mr. Bartel was the Chief Executive Officer of AvCraft Holdings, an aircraft servicing company.

### Item 8 – Other Financial Industry Activities or Affiliations

**Item 8. C. (1) - Broker-Dealer Relationship** For certain transactions, XCA utilizes XFG, a broker-dealer, to execute some of its transactions in client accounts. XFG is owned by Taipan, LLC and JBL, LLC. Taipan, LLC is owned by Jason T. Meil and JBL, LLC is owned by Lloyd Bartel, Ben K. Bartel's father. As a result of executing transactions with XFG as the broker-dealer in client transactions, XFG will earn commissions that are customary in such types of transactions.

**Item 8. D. – Partnerships.** Neither XCA, nor a related person are general partners in any partnerships in which clients are solicited to invest, however, Suzanne Bartel, Ben Bartel's wife, is a member/owner of V1 Leasing, LLC, in which clients are solicited to invest. Ben Bartel is the President of V1 Leasing, LLC and his father, Lloyd Bartel, is also a member/owner of V1 Leasing, LLC.

### Item 9 – Participation or Interest in Client Transactions

**Item 9. B. – Related Broker Effecting Transaction.** For certain transactions, XCA utilizes XFG, a broker-dealers to execute some of its transactions in client accounts. XFG is owned by Taipan, LLC and JBL, LLC. Taipan, LLC is owned by Jason T. Meil and JBL, LLC is owned by Lloyd Bartel, Ben K. Bartel's father. As a result of executing transactions with XFG as the broker-dealer in client transactions, XFG will earn commissions that are customary in such types of transactions.

**Item 9.D.** XCA may invest client assets in V1 Leasing, LLC. V1 Leasing, LLC is a regional airline aircraft leasing company of which Ben Kent Bartel is the President, and which company is owned by Suzanne Elizabeth Bartel, Ben Bartel's wife, and Lloyd Bartel, Ben Bartel's father. Due to Ben Bartel's position and his relationship with the owners of V1 Leasing, LLC, he may receive direct or indirect compensation from V1 Leasing.

Decisions relating to allocations of purchases and divestitures of securities between clients of XCA are made on a case by case basis by Jason T. Meil the Chief Investment Officer of XCA. Such decisions are based on the investment objectives, risk tolerance, strategies, limitations and restrictions (if any) and cash availability of each particular client.

For certain transactions, XCA utilizes XFG, a broker-dealer, to execute some of its transactions in client accounts. XFG is owned by Taipan, LLC and JBL, LLC. Taipan, LLC is owned by Jason T. Meil and JBL, LLC is owned by Lloyd Bartel, Ben K. Bartel's father. As a result of executing transactions with XFG as the broker-dealer in client

## S.E.C. Form ADV, Part II – Schedule F, continued

transactions, XFG will earn commissions that are customary in such types of transactions. XCA will utilize any brokers consistent with its policy and obligation of obtaining best execution for its clients.

### **Restrictions, Procedures and Internal Controls**

In order to attempt to maximize the benefit derived by its clients in terms of price when it determines that more than one client should purchase or sell the same security, XCA uses average pricing practices. In order to achieve a fair result among all of its advisory clients for whom it buys or sells the same security on the same day, where practical, XCA will seek to aggregate or “batch” individual orders and seek execution of them as a block or in several blocks through its clearing broker working the order in such a way as to avoid a material impact on the market price until all orders are complete. XCA then calculates the average price for all shares so traded. XCA employs an average pricing method in order to avoid having any client pay more (or receive less) than other clients when their individual investment objectives, asset allocations and portfolio balances warrant investment in (or divestiture of) identical securities.

XCA, its principals and employees adhere to XCA’s Code of Ethics and Standards of Professional Conduct (which are summarized in below). Pursuant to XCA’s Code of Ethics and XCA’s other policies and procedures, including privacy and confidentiality and the avoidance of potential conflicts of interest, all securities transactions executed at XCA, including those on behalf of its principals and employees, are reviewed daily to prevent the misuse of material non-public information by XCA, its principals and employees and to prevent other violations of laws, conflicts of interests or general ethical standards.

**Item 9.E. – Buying or Selling Securities Recommended to Clients.** From time to time, XCA, as well as its principals and employees, including Mr. Meil and Mr. Bartel, may have positions or may engage in transactions in the same securities as those purchased or sold for advisory clients. To avoid any potential conflict of interest, transactions effected for principals or employees of XCA within the same time frame as those for clients will be executed at an average price identical to that paid by or to clients. In such circumstances, orders for XCA principals and employees will never be executed first, or at a better price than the execution for any client.

As a matter of policy, XCA prohibits its principals and employees from effecting transactions immediately prior to or after transactions in the same security are effected for clients. XCA does, upon review, permit transactions in the same securities as those selected for its advisory clients to be

effected providing that employee transactions do not occur on the same day as the client transactions. All transactions are reviewed on a daily basis to ensure adherence to the foregoing policies.

Each client position is placed on a Monitor List, which is updated, reviewed and acknowledged on a monthly basis by each employee. The Monitor List catalogs securities that cannot be bought or sold by XCA employees or principals. Securities not on the Monitor List may be bought or sold under certain circumstances after obtaining written approval from the Chief Compliance Officer. If an employee owns a security prior to such security being placed on the Monitor List, such employees or principals may request special approval to sell so long as such security has not been traded for 5 days by any client accounts. The purchase or sale by an employee of any security with a market capitalization of less than \$500,000,000 that is on the Monitor List requires written approval from the Chief Compliance Officer.

### **Code of Ethics**

XCA has adopted a Code of Ethics (“**Code**”) designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (“**Advisers Act**”). This Code establishes rules of conduct for all employees of XCA and is designed to, among other things, govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that XCA and its employees owe a fiduciary duty to XCA’s clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that high ethical standards maintained by XCA continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

Pursuant to Section 206 of the Advisers Act, both XCA and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that the XCA has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

XCA and its employees are subject to the following specific fiduciary obligations when dealing with clients:

## S.E.C. Form ADV, Part II – Schedule F, continued

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to obtain best execution for a client's transactions where the firm is in a position to direct brokerage transactions for the client;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- A duty to be loyal to clients.

In meeting its fiduciary responsibilities to its clients, XCA expects every employee to demonstrate the highest standards of ethical conduct for continued employment with XCA. Strict compliance with the provisions of the Code is a basic condition of employment with XCA. XCA's reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to our clients. Employees are urged to seek the advice of the Chief Compliance Officer for any questions about the Code or the application of the Code to their individual circumstances. Employees should also understand that any breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with XCA.

The provisions of the Code are not all-inclusive. Rather, they are intended as a guide for employees of XCA in their conduct. In those situations where an employee may be uncertain as to the intent or purpose of the Code, he/she is advised to consult with Jason T. Meil, the Chief Compliance Officer. Mr. Meil may grant exceptions to certain provisions contained in the Code only in those situations when it is clear beyond dispute that the interests of our clients will not be adversely affected or compromised. All questions arising in connection with personal securities trading should be resolved in favor of the client even at the expense of the interests of employees.

XCA places the highest priority on maintaining its reputation for integrity and professionalism. That reputation is *our most vital* business asset. The confidence and trust placed in our firm and its employees by our clients is something *we value and endeavor to protect*. The standards of business conduct contained in our Code sets forth policies and procedures to achieve these goals. Our Code is intended to comply with the various provisions of the Advisers Act and also requires that all supervised persons comply with the various applicable provisions of the Investment Company Act of 1940, as amended, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and

applicable rules and regulations adopted by the Securities and Exchange Commission.

The Code addresses Compliance with XCA's Code of Ethics, Conflicts of Interest, XCA's Prohibition Against Insider Trading, Confidentiality of Client Information, Personal Securities Transactions, including pre-clearance procedures, Reporting Requirements, Gifts and Entertainment, Blackout Periods, Service as a Director, Certification of the Code and amendments, Records and Reporting Violations and Sanctions, among other matters.

Any person may obtain a complete copy of XCA's Code of Ethics upon request. Please contact our office at 800-999-9655 to request a copy at any time.

### *Proxy Voting Policies and Procedures of Xtent Capital Advisers, LLC.*

XCA does not vote proxies of its clients. Such responsibility remains in the hands of its clients.

### *Item 10 - Conditions for Managing Accounts*

The minimum dollar value required to open an investment account with XCA is \$50,000. XCA has the right to waive this minimum at its discretion.

### *Item 11 - Review of Accounts*

The Chief Investment Officer reviews accounts monthly. Accounts are discussed by the Chief Executive Officer and the Chief Investment Officer at least on a quarterly basis. At such reviews, decisions are made to buy, sell, or hold each position in the account. The review includes portfolio structure, asset allocation and securities selection and considers client's stated investment objectives and the applicant's standards of risk, performance, capital preservation and diversification.

Clients with PMAs receive quarterly or monthly statements from the custodian who holds their assets. XCA also reviews these statements on a regular basis. For all clients, the Chief Executive Officer offers to meet with each client on a quarterly basis and all clients must meet at least once per year with the Chief Investment Officer for an annual review of the account and to make necessary changes to the previously discussed investment strategy and risk tolerance. All clients are welcomed to call the Chief Investment Officer or any member of the XCA team at any time. Subject to applicable laws, there are no restrictions on clients being able to communicate with employees of XCA.

**Item 12 – Investment or Brokerage Discretion**

Subject to individual client investment objectives and asset allocation plans, there are no limitations on XCA's authority to determine which securities are to be bought and sold and in what amounts.

XCA does not accept directed brokerage arrangements. XCA, as an investment advisory firm, has a fiduciary and fundamental duty to seek best execution for client transactions. XCA, as a matter of policy and practice, seeks to obtain best execution for client transactions, i.e., seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances.

For certain transactions, XCA utilizes XFG, a broker-dealer, to execute some of its transactions in client accounts. XFG is owned by Taipan, LLC and JBL, LLC. Taipan, LLC is owned by Jason T. Meil and JBL, LLC is owned by Lloyd Bartel, Ben K. Bartel's father. As a result of executing transactions with XFG as the broker-dealer in client transactions, XFG will earn commissions that are customary in such types of transactions. XCA will utilize such brokers consistent with its policy and obligation of obtaining best execution for its clients.

See also **Item 4** regarding brokers.

**Best Execution**

Best execution has been defined by the SEC as the "execution of securities transactions for clients in such a manner that the clients' total cost or proceeds in each transaction is the most favorable under the circumstances." The best execution responsibility applies to the circumstances of each particular transaction and an adviser must consider the full range and quality of a broker-dealer's services, including execution capability, commission rates, the value of any research, financial responsibility and responsiveness, among other things.

The Chief Investment Officer has the responsibility for the implementation and monitoring of our best execution policy, practices, disclosures and recordkeeping.

The applicant has adopted procedures to implement the firm's policy and reviews to monitor and ensure that the firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

- As part of XCA's brokerage and best execution practices, XCA has adopted and implemented written

best execution practices.

- Jason T. Meil, the Chief Investment Officer has responsibility for monitoring our firm's trading practices, gathering relevant information, periodically reviewing and evaluating the services provided by broker-dealers, the quality of executions, research, commission rates, and overall brokerage relationships, among other things.
- XCA also conducts periodic reviews of the firm's brokerage and best execution practices, evaluates services and documents these reviews and discloses a summary of brokerage and best execution practices in our Form ADV, Part II.
- A Best Execution file is maintained for the information obtained and used in XCA's periodic best execution reviews and analysis and to document the firm's best execution practices.

From time to time, XCA receives investment advice from certain research and brokerage firms. In order to avoid any potential conflict of interest in regards to best execution, when XCA receives investment advice that directly results in the purchase or sale of a security, XCA will, as a matter of professional courtesy, execute the transaction with the advising broker. This type of advice will be considered for each client's portfolio based on their respective investment strategies. While the purchase or sale of a security may not be at the lowest possible execution price, the research and idea that was presented by the broker, when coupled with the execution of the transaction, constitutes the best overall execution for the client.

We do not charge or pass through additional fees or charges to our clients relating to research.

**Anti-Money Laundering**

As part of XCA's anti-money laundering program, XCA has established procedures to ensure that all clients' identities have been verified before an account is opened. Before opening an account for an individual client, XCA will require satisfactory documentary evidence of a client's name, address, date of birth, social security number or, if applicable, tax identification number. Before opening an account for a corporation or other legal entity, XCA will require satisfactory evidence of the entity's name, address and that the acting principal has been duly authorized to open the account. XCA also requires that a potential client provide a copy of such person's driver's license. The List of Specifically Designated

## S.E.C. Form ADV, Part II – Schedule F, continued

Nationals and Blocked Persons is reviewed to determine if a potential client is on such list and is reviewed on a quarterly basis by a responsible XCA employee. XCA will not open accounts or accept funds or securities from, or on behalf of, any person or entity whose name appears on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control, from any Foreign Shell Bank or from any other prohibited persons or entities as may be mandated by applicable law or regulation.

XCA's complete AML program is documented in its Compliance Manual.

### **Privacy Policy & Practices**

XCA maintains safeguards to comply with federal and state standards to guard each client's nonpublic personal information. XCA does not share any nonpublic personal information with any nonaffiliated third parties, except in the following circumstances:

- As necessary to provide the service that the client has requested or authorized, or to maintain and service the client's account;
- As required by regulatory authorities or law enforcement officials who have jurisdiction over XCA or as otherwise required by any applicable law; and
- To the extent reasonably necessary to prevent fraud and unauthorized transactions.

Employees are prohibited, either during or after termination of their employment, from disclosing nonpublic personal information to any person or entity outside XCA, including family members, except under the circumstances described above and are permitted to disclose nonpublic personal information only to such other employees who need to have access to such information to deliver our services to the client.

XCA restricts access to nonpublic personal information to those employees who need to know such information to provide services to our clients.

Any employee who is authorized to have access to nonpublic personal information is required to keep such information in a secure compartment or receptacle on a daily basis as of the close of business each day. All electronic or computer files containing such information shall be password secured and firewall protected from access by unauthorized persons. Any conversations involving nonpublic personal

information, if appropriate at all, must be conducted by employees in private, and care must be taken to avoid any unauthorized persons overhearing or intercepting such conversations.

Any employee who is authorized to possess "consumer report information" for a business purpose is required to take reasonable measures to protect against unauthorized access to or use of the information in connection with its disposal.

XCA will provide each natural person client with initial notice of the firm's current policy when the client relationship is established. XCA also provides each such client with a new notice of the firm's current privacy policies at least annually. The firm's current Privacy Policies are set forth in the Compliance Manual.