



## **Streettalk Advisors, LLC**

### **Part 2A of Form ADV**

City Centre One, 800 Town and Country Blvd., Suite 410  
Houston, TX 77024

Lance Roberts: 281-822-8800  
Lance@Streettalkadvisors.com  
www.Streettalkadvisors.com

**March 2011**

Streettalk Advisors, LLC is an investment adviser that is registered with the United States Securities and Exchange Commission. Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

This brochure provides information about the qualifications and business practices of Streettalk Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 281-822-8800 and/or Lance@Streettalkadvisors.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Streettalk Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Material Changes**

Because much of the information in the Part 2A of Form ADV is additional and material information not previously provided in our Part II of Form ADV, we recommend that you read this Part 2A of Form ADV in its entirety.

## Table of Contents

Advisory Business.....	1
Fees and Compensation .....	2
Performance-Based Fees and Side-By-Side Management .....	5
Types of Clients .....	5
Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Disciplinary Information.....	9
Other Financial Industry Activities and Affiliations .....	9
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading...	10
Brokerage Practices.....	11
Review of Accounts.....	13
Client Referrals and Other Compensation .....	13
Custody .....	14
Investment Discretion.....	14
Voting Client Securities .....	14
Financial Information.....	15

## ADVISORY BUSINESS

### Advisory Firm Description

Streetwork Advisors, LLC ("Streetwork") has been in business since October 9, 2002. The principal owners are Lance Eric Roberts, Michael Anthony Smith and James Luke Patterson.

### Types of Advisory Services

Streetwork manages portfolios on a discretionary basis and makes arrangements for efficient custody safekeeping of assets and trade execution. Streetwork advises its clients based upon each client's investment objective. This service is provided to individuals, 401(k) plans and/or their participants. Streetwork will review, supervise and manage the account, which consists of all property identified by the client and all additions to the account.

Streetwork provides advice regarding the purchase and sale of mutual funds, stocks, bonds, certificates of deposit, money market funds, government securities and obligations, debt securities, derivative securities or contracts, alternative investments, non-traded investments and other securities. For accounts with less than \$100,000 in assets, mutual funds will be primarily recommended. There is no guarantee that the advisory services offered will result in clients' goals and objectives being met. Nor is there any guarantee of profit or protection from loss.

Streetwork may also manage IRA accounts or other retirement accounts which are subject to the Pension Protection Act of 2006 (PPA). In all cases, an "eligible investment advice arrangement" or advisory agreement will be executed with the client.

Streetwork is the general partner of The Streetwork Advisors Premier Fund, LP ("Premier Fund"), a Texas limited partnership that offers investors access to a diversified, multi-strategy investment portfolio designed to provide long-term growth of capital. Streetwork has exclusive and complete control of the Premier Fund's activities, including the selection, retention and replacement of investment managers.

Streetwork acts as investment manager to The STA Specialized Fund LP ("Specialized Fund"), a Texas limited partnership that offers investors the opportunity to invest through a pooled vehicle into one or two private equity funds acting as "funds of funds".

Both funds are exempt from registration under the Investment Company Act of 1940. Interests in the affiliated funds are offered to investors satisfying the applicable eligibility and suitability requirements either in private placement transactions within the United States or in offshore transactions. *This brochure is not a public offer of either of these investments.*

### Tailored Advisory Services

Streetwork invests on clients' behalf according to the risk tolerance and investment objective of each client. Each portfolio is tailored to the needs of each client, so not all

client portfolios contain the same investments; however, clients may instruct Streetwork not to purchase or sell certain investments or participate in a particular sector by notifying the Firm in writing.

### **Client Assets Under Management**

As of December 31, 2010, Streetwork managed \$379 million in discretionary assets. Streetwork does not manage assets on a non-discretionary basis.

## **FEES AND COMPENSATION**

### **Fees on Managed Accounts**

Streetwork charges an annual advisory fee, one fourth of which is payable quarterly in arrears. Generally the advisory fee is deducted from the client's account on or about the 15<sup>th</sup> day after the last day of the preceding calendar quarter. However, under special circumstances (e.g., when clients have 401K accounts with Fidelity), Streetwork's fees can be billed directly to the client and the client agrees to pay all of Streetwork's fees within 30 days of the client's receipt of Streetwork's invoice.

Streetwork's fees are calculated based on the market value of the assets in the account as of the last business day of the preceding calendar quarter. These fees are adjusted for any inflows or outflows during such quarter, regardless of the amount of the inflows or outflows. Fees are also charged on accrued interest. If the agreement becomes effective after the first day of a calendar quarter, the fee for that quarter will be calculated proportionately with respect to the number of days left in the quarter and based on the market value of the account as of the end of the last trading day of that quarter. This fee, if charged, will be charged retroactively at the first quarter end in which the agreement was in effect. If the agreement is terminated prior to the last day of the calendar quarter, the fee will be calculated proportionately with respect to the number of days in the quarter that the agreement was in effect.

The maximum annual fee schedule is shown below. Each client signs an investment advisory agreement which clearly defines the fee that client will pay. Clients may pay different fees depending upon the complexity of their portfolio or their individual requirements, so clients receiving the same service may be paying different fees. These fees may be in excess of the industry norm. Similar advisory services can be obtained for less elsewhere.

<b>Asset Range</b>	<b>Annual Fee</b>
100,000 – 249,999	1.75%
250,000 – 499,999	1.65%
500,000 – 749,999	1.50%
750,000 – 999,999	1.35%
1,000,000 & UP	1.25%

### **Other Fees**

The fees listed above do not include any bank fees, mark-ups or markdowns, margin interest, national securities exchange fees, wire transfer fees, clearing fees, brokerage charges or other costs or fees associated with the securities transactions or required by law for which the client is responsible. Clients are also responsible for the clearing charge of \$25.00 assessed by Schwab, Fidelity or FOLIO<sup>®</sup> when Streetwork purchases bonds from a broker other than the account custodian.

An additional fee of \$25.00 is deducted from each client account each quarter for reporting services provided by Streetwork. Other fees may be incurred while client funds are in a money market fund or other no-load mutual fund, such as internal investment management fees, which are reflected in the fund's internal expenses and are disclosed in each fund's prospectus. These fees are charged and collected by the mutual or money market funds, are in addition to the fee the client pays Streetwork, and are not refundable to the client. Clients investing in mutual funds through Streetwork may also incur transaction fees which would not be incurred if the client were to invest directly with the mutual fund. These transaction fees are charged by the custodian for the convenience of trading in multiple mutual fund families through one account.

### **Fees on Certain Managed IRA or Other Retirement Accounts**

For IRA accounts or other retirement accounts which are subject to the Pension Protection Act of 2006 (PPA). An "eligible investment advice arrangement" or advisory agreement will be executed with the client. Streetwork will be considered a "fiduciary advisor" and will charge fees to the retirement account based on a "level-fees basis", which means the fees will not vary depending on the investment option selected.

### **Fees for Direct Investments/Private Placements/Hedge Funds/Alternative Investments**

#### *Investments in pooled vehicles not affiliated with Streetwork*

Streetwork may invest account assets in "hedge funds" or other pooled investment vehicles that invest in securities ("Funds"). These Funds may be publicly held or private partnerships, or other types of entities, and may pursue investment strategies that seek to achieve high returns by taking high risks. Typically, investments in these Funds are illiquid and are suitable only for investors who can understand and bear the risk of losing all or part of their investment and who meet specific financial criteria. Streetwork cannot guarantee that the advisory services offered will result in clients' goals and objectives being met, nor is there any guarantee of profit or protection from loss.

When Streetwork advises a client to invest in one of these vehicles for which Streetwork is not the investment advisor, Streetwork's compensation is a percentage management fee of the client's capital account balance in each recommended fund. The percentage applied is the same percentage applied to all other assets managed by Streetwork for the Client (thus the fee schedule is the same as that detailed above under "Fees on Managed Accounts"). Internal fees for each fund are set forth in the various private placement memoranda.

*Investments in pooled vehicles affiliated with Streetwork*

Streetwork currently has two affiliated funds, which are further discussed below. Streetwork and its affiliated entities are paid directly by these vehicles, so these assets are not included in the quarterly fee calculation reflected in the managed account fees shown above.

*The Streetwork Advisors Premier Fund LP (The Premier Fund)*

Streetwork acts as the general partner of the Premier Fund. Investors in this pooled investment vehicle are generally required to make a minimum investment of \$250,000. The Firm has the discretion to accept investments for lesser amounts.

Streetwork's compensation for management of the Premier Fund is an annual consulting fee equal to 0.9% of the market value of the Premier Fund's investments. The fee is payable quarterly in advance and will be deducted from the capital account balances of each limited partner.

Advisory fees and expenses related to the engagement of investment managers, and incentive fees or profit allocations, are paid at the level of the underlying investment vehicles to investment managers to whom the Premier Fund allocates assets. The Premier Fund may invest in "funds-of-funds" which would result in an additional layer of fees.

Investment in the Premier Fund is not guaranteed assurance that the above objective can be achieved or that the Premier Fund's investments or the value of the units will not be materially and adversely affected by certain risk factors. For complete terms, the private placement memorandum and limited partnership agreement should be reviewed. Please also see the "Risk of Loss" subsection under "Methods of Analysis, Investment Strategies and Risk of Loss" (below).

*The STA Specialized Fund LP*

The STA Specialized Fund LP ("Specialized Fund") has STA General Partner, LP as its General Partner, which in turn has STA Management, LLC as its General Partner. Streetwork acts as investment manager to the Specialized Fund, so its principals manage the day-to-day investment activities of the fund.

Investors in this pooled investment vehicle are generally required to make a minimum investment of \$50,000. The Firm has the discretion to accept investments for lesser amounts.

Streetwork receives a management fee of 2% of the total committed capital in the Specialized Fund, which is payable quarterly in advance. In addition Streetwork General Partner, LP is entitled to receive a carried interest allocation from each Class A Partner equal to 20% of the Specialized Fund's net profits. The Streetwork fees are deducted from the capital account balances of the limited partners.

In addition to the fees paid to Streetwork, the managers of the underlying funds are entitled to two forms of compensation: a fee based on net assets under management (ranging from 1%-2% annually) and in some cases performance compensation (ranging from 20%-25% of net profits). If charged, these fees are debited against the capital account balances of the limited partners on a pro rata basis.

### **Other Fees and Expenses**

Premier and Specialized Funds and separate accounts incur and pay brokerage commissions, financing and other transaction costs and expenses in connection with any trading and investment activities, as well as custodian fees for assets held in cash or securities at various banks, broker-dealers and other financial institutions.

The Premier and Specialized Funds pay ongoing operating and offering costs as incurred, including, without limitation, administrative, accounting, custody, transfer, reporting, tax, audit, regulatory and legal fees and expenses, as well as any extraordinary expenses, if any.

Neither Streetwork nor any of its principals or employees receives any compensation for the sale of securities or other investment products.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Streetwork, or an affiliate, receives performance-based compensation from some clients. Please see the "Fees and Compensation" section for a more detailed explanation of its performance-based compensation. Managing accounts paying performance-based fees side by side with accounts not paying performance-based fees creates a conflict of interest for Streetwork, as it may be incented to trade more aggressively in the performance paying accounts or funds. This is mitigated by monitoring all accounts to ensure that all clients are treated fairly and equitably and in light of their investment objectives, and that limited investment opportunities are allocated appropriately.

Only the Specialized Fund allows for performance fees. Please see the "Fees and Compensation" section for more information.

## **TYPES OF CLIENTS**

Streetwork provides investment supervisory services and manages investment advisory accounts for:

- individuals
- high net worth individuals,
- pension and profit sharing plans
- pooled investment vehicles
- corporations or other business not listed above.

The general investment minimum required of an actively managed equity account is \$100,000. Streetwork does accept and work with clients with investment accounts of less



than \$100,000 but does not recommend actively managed equity portfolios at those levels, as the cost associated with such management is not beneficial to clients. Therefore Streetwork recommends a managed mutual fund account, which follows the same risk management techniques that Streetwork uses for equity portfolios. Please see discussion under "Advisory Services" for minimum investments in affiliated Streetwork pooled investment vehicles.

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Method of Analysis**

Streetwork uses a combination of the following types of analysis in evaluating investments for client accounts:

- Charting—Analysis of charts of past stock performance
- Fundamental—Analysis of financial attributes of a company, such as revenue growth, debt to equity ratio, inventory turnover, etc.
- Technical—Analysis which assumes past performance is a predictor of future performance

Streetwork uses the following sources of information in its analysis:

- Financial newspapers and magazines
- Research materials prepared by others
- Corporate rating services
- Timing services
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Company press releases

### **Investment Strategies**

The investment strategies Streetwork uses to implement investment advice include the following:

- Long-term purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Short Sales
- Margin transactions
- Option writing, including covered options, uncovered options or spreading strategies

The Premier Fund's objective is pursued by allocating Premier Fund capital among one or more managers with a diversified group of underlying investment managers for investments in investment pools or discretionary managed accounts, which are managed in an attempt to achieve high relative returns with reasonable volatility.

The investment objective of the Specialized Fund is to achieve long-term capital appreciation through the use of a “multi-manager” investment approach. Streetwork anticipates that it will primarily commit the Specialized Fund’s assets to one or two private equity funds. The Specialized Fund may also make direct investments in a broad array of securities in both the private and public markets.

For a complete explanation of all relevant investment strategies and their associated risks, Streetwork’s clients, or investors in its clients, should also review each applicable client’s offering document and investment advisory agreements, which may contain explanations of additional strategies, risks and other related details not discussed in this brochure.

### **Risk of Loss**

Streetwork does not guarantee the future performance or any specific level of performance, the performance of any investment decision or strategy that Streetwork may use, or the performance of Streetwork’s overall management of the account. Investment decisions made for a client’s account by Streetwork are subject to various market, currency, economic, political and business risks, and those investment decisions will not always be profitable. Investing in any security entails risk of loss.

More specifically, these risks include, but are not limited to:

- *Short Sales:* The funds may effect short sales. Short selling is the practice of selling investments which are not owned by the seller, generally when the seller anticipates a decline in the price of the investments or for hedging purposes. To complete a short sale, the seller must borrow the investments from a third party in order to make delivery to the buyer. The seller generally will be required to pay a brokerage commission or interest which will increase the cost to the seller of selling such investments. Until the investments are replaced, the seller will be required to pay to the lender amounts equal to any dividends or interest which accrue during the period of the loan of the investments.

Under certain circumstances, including any U.S. or non-U.S. governmental or regulatory action which impacts short selling, a fund may be prematurely forced out of a short position. The lender of a security used to cover a short position generally has the right to demand the return of the stock that has been loaned at any time. In such event, a fund would be required to replace the borrowed securities by borrowing the securities from another lender. If the fund were unable to replace the borrowed securities it would be required to close out the short position by buying the security in the market to make delivery. In such event, the fund could incur a significant loss if the security sold short had increased in value.

- *Put and Call Options on Specific Investments:* The funds may purchase exchange-listed and over-the-counter (“OTC”) put and call options on specific investments. In addition, the funds may write and sell covered or uncovered call and put option contracts. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying investments at a stated exercise price at any time prior to the expiration of the option. Similarly, a put

option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying investments at a stated exercise price at any time prior to the expiration of the option. Options written by the fund may be wholly or partially covered (meaning that the fund holds an offsetting position) or uncovered. Options on specific investments may be used by funds to seek enhanced profits with respect to a particular investment. Alternatively, they may be used for various defensive or hedging purposes.

The use of put and call options may result in losses to the funds, force the sale or purchase of portfolio investments at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation the funds can realize on its investments or cause the funds to hold an investment it might otherwise sell. For example, a decline in the market price of a particular investment could result in a complete loss of the amount expended by a fund to purchase a call option (equal to the premium paid for the option and any associated transaction charges). An adverse price movement may result in unanticipated losses with respect to covered options sold by a fund. The use of uncovered option writing techniques may entail greater risks of potential loss to a fund than other forms of options transactions. For example, a rise in the market price of the underlying investment will result in the fund realizing a loss on the calls written, which would not be offset by the increase in the value of the underlying investments to the extent the call option position was uncovered.

- *Withdrawals and Performance:* Numerous hedge funds have experienced material levels of withdrawals and received significant withdrawal requests for upcoming withdrawal dates due to market conditions, fund performance, the need for liquidity by some investors and other reasons. In response, a number of hedge funds have had to impose liquidity restraints and, in certain cases, dissolve. There can be no assurance that the funds will not in the future experience withdrawal requests at a level that may have an adverse effect on their operations or ability to satisfy such requests.
- *Regulatory Risk:* U.S. and non-U.S. securities and commodities markets are subject to ongoing and substantial regulatory changes, and recently there has been increased government as well as self-regulatory scrutiny of the "hedge fund" industry in general. This includes incidents of regulators unexpectedly announcing regulatory changes or interpretations that prohibited strategies that had been implemented in a variety of formats for many years. For example, in September 2008 the SEC and various non-U.S. regulatory bodies imposed temporary bans on short-selling in a variety of stocks, and adopted permanent regulations that may have the effect of making short-selling more difficult or costly. These actions were generally regarded as disrupting market fundamentals and causing unexpected and volatile increases in the stock prices of a variety of issuers, as short sellers closed out their positions by buying securities. Such increased or additional regulation may require the funds to alter the manner in which they do business, and could adversely affect their ability to implement their investment programs.

Streettalk will endeavor to monitor managers of its pooled investment vehicles continuously, but Streettalk is unlikely to have access to information about the underlying portfolio positions of investments in the underlying funds on a regular basis. Investors in the pooled investment vehicles, moreover, typically have no right to demand such information of the managers. Accordingly, Streettalk will not be in a position to analyze or respond to developments within any particular underlying fund unless and until information relating thereto is disseminated by the manager to its investors.. That information may not necessarily be timely or complete.

#### **DISCIPLINARY INFORMATION**

Neither Streettalk, nor any of its officers or principals has been involved in any investment-related criminal or civil actions in a domestic, foreign or military court.

Neither Streettalk, nor any of its officers or principals has been found (1) to have caused an investment-related business to lose its authorization to do business or (2) to have been involved in a violation of an investment-related statute or regulation and the subject of an order in connection with any administrative proceedings before the Securities and Exchange Commission, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority.

Neither Streettalk, nor any of its principals has been involved in any self-regulatory organization proceedings.

#### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither Streettalk, nor any of its officers or principals is registered or has an application to become registered as a broker/dealer or a representative of a broker/dealer. Neither Streettalk nor any of its officers or principals is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or is an associated person of any of the above.

##### Affiliations with Pooled Investment Vehicles

Streettalk and its affiliates have sponsored a number of private investment funds that they manage. Streettalk serves as the general partner to one of the fund clients. The fund clients do not have independent management. Although this arrangement may give Streettalk heightened control and discretion over its fund clients, the Firm manages any potential conflicts of interest by adhering to the investment strategy and investment allocation policy discussed in each fund client's offering documents.

Clients may receive advice on other insurance-related products such as fixed annuities and various types of insurance. One of the Principals of Streettalk, Michael Smith, is also a licensed insurance agent for Streettalk Insurance Group, LLC. Michael Smith, Lance Roberts and Streettalk each own a 25% interest in Streettalk Insurance Group, LLC.

As such, Streetwork Advisors may offer insurance products and receive normal and customary commissions as a result of such a purchase. This presents a conflict of interest to the extent that:

- (i) a Principal recommends the purchase of an insurance product, which results in a commission being paid to the Principal as an insurance agent;
- (ii) the commission in connection with the purchase of an insurance product may be of greater economic benefit to such Principal than the advisory fee; and
- (iii) Principals and Streetwork have a financial incentive to direct business to Streetwork Insurance Group, LLC.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

Streetwork has adopted a Code of Ethics which describes the general standards of conduct that Streetwork expects of all Firm personnel (collectively referred to as "employees"). Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with Streetwork. Any client or prospective client may request a copy of Streetwork's Code of Ethics which will be provided at no cost by contacting Lance Roberts at 281.822.8800.

The following basic principles guide all aspects of Streetwork's business and represent the minimum requirements to which Streetwork expects employees to adhere:

- Clients' interests come before employees' personal interests and before Streetwork's interests.
- Streetwork must fully disclose all material facts about conflicts of which it is aware between Streetwork and its employees' interests on the one hand and client and Streetwork's interests on the other.
- Employees must operate on Streetwork's behalf and on their own behalf consistently with Streetwork's disclosures and to manage the impacts of those conflicts.
- Streetwork and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- Streetwork and its employees must always comply with all applicable securities laws.

### *Personal Securities Trading*

Trading by Streetwork personnel in Personal Accounts is subject to review and, in many cases, prior approval by the CCO. Employees are allowed to trade in their personal accounts only in mutual funds, bonds, ETFs, and pre-approved private placements. Employees may invest simultaneously with clients as long as the same price is obtained. Investing in private placements in Personal Accounts must be preapproved by the CCO. Personal trades must be reported quarterly to the Streetwork CCO, and holdings are reported annually. Both personal trades and holdings are reviewed on a periodic basis to ensure compliance with

Streetwork's policy. Breaches to the policy are taken seriously and may be met with disciplinary action including termination of employment.

The Streetwork principals have also invested in the Premier Fund and the Specialized Fund as limited partners, so have ownership interests beyond owning the general partners of each fund.

#### *Outside Business Activities*

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the employee will be directed to cease this activity.

## **BROKERAGE PRACTICES**

### **Broker Selection**

Streetwork selects the brokers or dealers to handle securities transactions and negotiates the commissions. Streetwork has entered into agreements with Charles Schwab & Co., Inc., ("Schwab"), Fidelity Institutional Wealth Services ("Fidelity") FOLIOfn Institutional ("FOLIOfn") and Millennium Trust Company (each are independent, qualified and unaffiliated broker-dealers) to act as custodians for client accounts. The commissions charged by Schwab, Fidelity and FOLIOfn, and Millennium Trust are comparable with those of other broker-dealers in return for like products and services, but may be higher in some instances than those obtainable from other brokers. Streetwork generally selects the brokers or dealers to handle securities transactions and negotiates the commissions. Associates of Streetwork receive no commissions or 12(b)-1 fees from accounts held at Schwab, Fidelity or FOLIOfn.

### *Best Execution*

Streetwork's policy is to attempt to obtain the best execution for its clients' securities transactions. What constitutes "best execution" and determining how to achieve it are inherently uncertain. In evaluating whether a broker will provide best execution, Streetwork considers a range of factors. These include, among others:

- Historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions;
- The execution, clearance and settlement and error correction capabilities of the broker generally and in connection with securities of the type and in the amounts to be bought or sold;
- The availability of no load mutual funds;
- The broker's reliability and financial stability;
- The commission structure and
- The quality of information provided to the Firm and to clients.

Streetwork is not required to select the broker that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers, and Streetwork expects at times to pay more than the lowest transaction cost available in order to obtain for itself and/or its clients services and products other than securities

transactions execution. Streetwork generally trades through the custodian in order to manage transaction fees.

Streetwork has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC, Schwab and Fidelity (collectively, and together with all affiliates, the "Custodians") through which the Custodians provide Streetwork with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. The Custodians' institutional platform services that assist Streetwork in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Custodians also offer other services intended to help Streetwork manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom Streetwork may contract directly.

Streetwork is independently operated and owned and is not affiliated with any of the Custodians.

Custodians generally do not charge its advisor clients separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Custodians or that settle into Custodian accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Custodians provide access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

### **Broker Review**

At least annually, the Chief Compliance Officer and the Chief Executive Officer will review brokerage relationships in light of the factors listed above.

### **Research and Other Soft-Dollar Benefits**

Streetwork currently has no formal soft-dollar arrangements, where specific products or services are paid for with soft dollars generated for Streetwork by individual trades Streetwork places in client accounts. However, the Custodians are providing Streetwork with certain brokerage and research products and services that qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934 ("Exchange Act").

### **Brokerage for Client Referrals**

Streetwork does not directly or indirectly compensate any person or broker for client referrals.

### **Directed Brokerage**

Streetwork requires separate account clients to use one of the Custodians.

### **Order Aggregation**

Streetwork will generally aggregate brokerage orders for its clients and Funds and allocate the securities purchased or sold among the participating accounts, with each account receiving the same terms. The proportion in which participating account(s) will share transactions will be determined by the portfolio manager(s) on the basis of investment objective, cash availability, expected cash and liquidity needs, and other relevant factors. The overarching principle for every allocation is that no Fund is intentionally favored over another account that is similarly situated. However, Schwab and Fidelity do not provide an expense advantage to participating accounts in an aggregated trade. Rather than charging one transaction fee for the aggregated trade, transaction fees (if applicable) are applied to each account as if the trade had been enacted on an account by account basis.

## **REVIEW OF ACCOUNTS**

### *Managed Accounts*

These accounts are reviewed at least annually by Lance Roberts and Michael Smith.. Reviews entail comparing portfolio holdings to the investment objective for each account.

### *Pooled Investment Vehicles*

Streetwork monitors the holdings of pooled investment vehicles on at least a quarterly basis. Streetwork provides investors with written annual audited financial statements examined by independent auditors, as well as annual tax information.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Streetwork hosts a daily radio talk show on KSEV 700am during which its principals provide general market commentary. The show's sponsors pay a flat monthly fee to Streetwork for two hours of airtime each week. Additionally, advertisers pay for 30 second to 1-minute commercial spots at \$300 per minute (negotiable) and \$400 per minute for a live endorsement.

Streetwork may also receive compensation for its services such as ownership in the sponsor and/or its offerings, carried interests or other similar compensation. This compensation may not be tied directly to investments by clients of Streetwork.

Streetwork does not, nor do any of its principals or employees, receive any economic benefit from non-clients for providing advisory services to its clients.



## **CUSTODY**

Because Streetwork generally has the authority to instruct the account custodian to deduct the management fee directly from the client's account, Streetwork is considered to have "custody" of managed account assets. This limited access is monitored by the client through receipt of account statements directly from the custodian. These statements all show the deduction of the management fee from the account. Otherwise, Streetwork may only direct the movement of funds from one account in the client's name to another such titled account, but has no other access to funds, except as described under "Brokerage Practices."

When clients receive their account statements from the custodian, they should carefully review those statements. If client(s) receive account statements from Streetwork, they are reminded to compare the statements from Streetwork with the account statements from their custodian. Clients should contact both Streetwork and the custodian if there are material discrepancies.

Additionally, Streetwork engaged an outside auditor to audit its Premier Fund for the 2009 fiscal year. In accordance with generally accepted accounting principles Streetwork is required to deliver the audited financials to all investors within 180 days of the fiscal year. Although Streetwork has tried to comply they were unable to meet the 180 delivery deadline. The delay was due in part to the fact that the Premier Fund is a fund of funds and not all fund managers reported on time. Streetwork made disclosure to the investors and has since placed the fund in the custody of a qualified custodian which is sending investors quarterly statements.

## **INVESTMENT DISCRETION**

Clients provide Streetwork with a limited power of attorney, granting trading authority and authority to instruct the custodian to withdraw its investment management fee on a quarterly basis. This authority is granted for managed accounts through the investment management agreement each client executes with Streetwork. This authority is granted to Streetwork for the funds by the limited partnership agreements. Streetwork determines for all clients what issues are to be purchased and sold, how much, when, and negotiates commissions with the account custodians.

## **VOTING CLIENT SECURITIES**

Streetwork does not vote client proxies and has instructed the custodian to forward all proxy material directly to the client. Streetwork shall forward to the client, or to the advisor(s) for an employee benefit plan covered by ERISA, any proxy materials it receives that pertain to the assets in the client's account unless the plan's trust agreement provides otherwise. Clients will receive proxy materials directly from the custodian by U.S. Mail or by email. Clients may contact Streetwork with questions concerning particular proxy matters.

## **FINANCIAL INFORMATION**

There is no financial condition that is reasonably likely to impair Streetwork's ability to continue to provide services to its clients. Streetwork is not required to produce its financial statements.