

Part 2A of FORM ADV: FIRM BROCHURE

Item 1: Cover Page

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This Brochure provides information about the qualifications and business practices of Borthwick Associates, Inc., a Registered Investment Adviser (SEC File Number 801-16872).

If you have any questions about the contents of this brochure, please contact us a 312-630-0180 or email Thomas R. Flaig, President at (tflaig@ameritech.net) or Meg E. Davidson, Vice-President/Chief Compliance Officer at (megdavidson@ameritech.net).

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.

Registration with the Securities and Exchange Commission does not imply a certain level of skill or training.

Additional information about Borthwick Associates, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

This brochure addresses amendments pursuant to SEC Release Number 1A-3060 effective October 12, 2010 and related rules under the Investment Advisers Act requiring investment advisers to provide new and prospective clients with a brochure. Borthwick Associates, Inc. will deliver a current brochure before or at the time an advisory contract is entered into with a client. Borthwick Associates, Inc. will also deliver a copy of its Code of Ethics (See Item 11) with its brochure. Borthwick Associates, Inc. will annually deliver a current copy of its brochure that includes any material changes to its clients or a summary of material changes that includes an offer to provide a copy of the current brochure.

Brochure dated May 17, 2012

Part 2A of Form ADV: Firm *Brochure*
Item 2: Material Changes

There have been no material changes to the Brochure of Borthwick Associates, Inc. since its initial creation on April 7, 2011.

Item 3: Table of Contents

Item Number/Description	<u>Page Number</u>
Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	
Firm Description	4
Services Offered	4
Assets under Management	4
Item 5: Fees and Compensation	
Fee Schedule	4
Description of Fees	5
Item 6: Performance-Based Fees	6
Item 7: Types of Clients	
Clients Description	6
Minimum Account Size	6
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	
Methods of Analysis	6
Types of Risk	6
Item 9: Disciplinary Information	7
Item 10: Other Financial Industry Activities and Affiliations	
Item 11: Code of Ethics, Participation or Interest in Clients Transactions & Personal Trading	
Code of Ethics	7
Conflicts of Interest	7
Item 12: Brokerage Practices	
Brokerage Practices	8
Soft Dollar Benefits	8
Block Trading	8
Item 13: Review of Accounts	
Monthly Statements	8
Item 14: Clients Referrals and Other Compensation	
Independent Contractors	9
Item 15: Custody	
SEC Rule 206(4)-2	9
Item 16: Investment Discretion	10
Item 17: Voting Client Securities	10
Item 18: Financial Information	10
Item 19: Requirements for State Registered Advisers	
Biographies of Principal Officers	11
Item 20: Glossary of Terms	12

ITEM 4: ADVISORY BUSINESS

Borthwick Associates, Inc., an Illinois Corporation, is a fee-only Investment Adviser located in Chicago, Illinois and was organized in December, 1981. Its principal owners/shareholders are Meg E. Davidson, Vice President/Compliance Officer and Thomas R. Flaig, President who own 51% and 49% of the firm respectively. Borthwick Associates, Inc. is also the Registered Investment Adviser to Borthwick Partners Fund Limited Partnership organized under the Illinois Revised Uniform Limited Partnership Act and was formed in September, 1990. The General Partner of the Partnership is Earlwick, Inc., an Illinois Corporation organized in December, 1989. Its principal owners/shareholders are Meg E. Davidson, President and Thomas R. Flaig, Vice-President who own 51% and 49% of the firm respectively. Meg E. Davidson and Thomas R. Flaig are Control Persons of both Borthwick Associates, Inc. and Earlwick, Inc.

Borthwick Associates, Inc. provides fee based portfolio management services to individuals, families and small corporations. Borthwick Associates primarily invests in individual common stocks but may use Exchange Traded Funds (ETFs) to gain exposure to select areas including international equities, commodities and fixed income. ETFs are baskets of securities designed to generally track a broad stock market index (i.e. large cap growth, small cap value), stock market sector (i.e. energy, technology) or region of the world (i.e. China, Europe, Mexico). All stock and ETF portfolios are long only - we do not sell short or use leverage in our portfolios.

Borthwick Associates provides portfolio management services to many types of clients including taxable (individual, joint, trusts) and tax-deferred (IRAs, pension & profit sharing) accounts. Portfolios are customized to each client's unique goals and objectives which are determined after an in-depth interview to discuss such pertinent information as financial goals and resources, income and income requirements and risk tolerance. Borthwick Associates maintains full discretion over all portfolios as to the selection, quantity, timing and price of trades.

As of December 31, 2011 Borthwick Associates, Inc. managed client assets totaling \$45,083,828, all on a discretionary basis. This figure was derived by adding the market value of securities in each client's portfolio at December 31, 2011.

ITEM 5: FEES AND COMPENSATION

Borthwick Associates charges an investment advisory fee that is calculated based on the market value of the account at the end of each calendar quarter. All managed accounts are subject to the following fee schedule:

Assets under \$1 million	1.25% per annum
Assets between \$1 million and \$2 million	1.00% per annum
Assets between \$2 million and \$3 million	0.75% per annum
Assets over \$3 million	0.50% per annum

Clients may elect to have advisory fees deducted directly from their accounts or they may pay by check upon issuance of an advisory fee invoice. Advisory fees are non-negotiable.

Advisory fees are billed on a calendar quarterly basis and cover the subsequent 3 months of advisory services. Any client cancelling the advisory agreement during the subsequent quarter will be refunded

any fees charged that are applicable to the remaining quarter. Refunds are calculated as a percentage of the days remaining in the quarter. Borthwick Associates does not charge any additional fees or penalties in the event of an advisory contract cancellation. Unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees.

Borthwick Associates may use Exchange Traded Funds (ETF) in some portfolios. Investors are cautioned that ETFs are products that have management fees that are imbedded in the price of the security and which are in addition to Borthwick Associates advisory fee. These imbedded fees typically add from .10% to .90% to the price of the security and can be found on the issuer's website. Borthwick Associates does not share in the fees charged by the ETF.

Other fees associated with Borthwick Associates advisory services include transaction costs charged by the broker. The broker may also charge a fee to perform functions such as custody of an IRA or to process specialty transactions. These fees are customary in the brokerage industry. Borthwick Associates does not share in any of the fees charged by the broker. Additional information on brokerage fees may be found in "Section I" of this brochure.

For its investment advisory services, Borthwick Associates, Inc. charges the Borthwick Partners Fund Limited Partnership $\frac{3}{8}$ of 1% of the market value of the Fund's assets on the last date of each calendar quarter. Advisory fees charged cover the services for the quarter there ended, thus, there is no refund arrangement as there is with the Managed Accounts. The advisory fees are allocated to each Limited Partner on the basis of their percentage ownership of Units at the end of each quarter. Advisory fees are deducted directly from the Fund's assets and are therefore imbedded in the current Net Asset Value of the Fund.

The Borthwick Partners Fund Limited Partnership also incurs other expenses, such as legal, accounting and custodial fees, which are advanced by Earlwick, Inc, the Fund's General Partner and reimbursed by the Fund. These expenses include fees associated with an SEC mandated annual surprise examination of the Fund by an independent, Public Company Accounting Oversight Board (PCAOB) auditor. All such expenses are allocated to the Limited Partners in the same fashion as advisory fees.

General accounting services for the Borthwick Partners Fund Limited Partnership are handled through an outside service which allocates the previously mentioned expenses along with all capital gains and losses, dividends and interest. Each Limited Partner receives a Form K-1 on an annual basis showing their allocated portion of income and expenses along with any additional Unit purchases or redemptions. Full details related to the Borthwick Partners Fund Limited Partnership including its objectives, risk factors and tax aspects are detailed in the current Offering Memorandum dated February 19, 2010. The General Partner receives no form of compensation in the performance of its duties as General Partner.

The custodian of Borthwick Partners Fund Limited Partnership is U.S. Trust, the private wealth management division of Bank of America. U.S. Trust charges the Fund a custodial fee on a monthly basis. This fee is calculated based on a percentage of the market value of the Fund plus the number of trades executed during the period. The custodial fee has historically added .08% per annum to the cost of owning Borthwick Partners Fund. All fees and expenses are imbedded in the current Net Asset Value of the Fund.

ITEM 6: PERFORMANCE BASED FEES

Borthwick Associates, Inc. does not have any Performance-Based Fee accounts. None of Borthwick Associates, Inc.'s Supervised Persons accept any fees based on a share of capital gains or appreciation of the assets of a client.

ITEM 7: TYPES OF CLIENTS

Borthwick Associates provides portfolio management services to many types of clients including taxable (individual, joint, trusts) and tax-deferred (IRAs, pension & profit sharing) accounts. Portfolios are customized to each client's unique goals and objectives which are determined after an in-depth interview to discuss such pertinent information as financial goals and resources, income and income requirements and risk tolerance. Borthwick Associates maintains full discretion over all portfolios as to the selection, quantity, timing and price of trades.

Borthwick Associates, Inc. suggests a \$250,000 requirement for opening a separately managed portfolio of individual securities, \$100,000 for portfolios consisting solely of Exchange Traded Funds, and \$50,000 for the Borthwick Partners Fund Limited Partnership. New accounts for any of the previously mentioned programs may be accepted for lesser amounts based on management's discretion. For example, exceptions may be made for new clients planning to add to their accounts or for existing clients who already participate in one of the other investment programs.

Investment in the Borthwick Partners Fund Limited Partnership requires Partners to hold their investment for a minimum of one year. After the required one year holding period, redemptions of any or all of a Limited Partner's interest (in whole Units) can be made at the end of any calendar quarter provided that written notice is delivered at least 30 days in advance per the terms of the prospectus.

ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Borthwick Associates, Inc. utilizes a combination of fundamental and technical analysis in its stock selection process. Beginning with its economic forecast the firm decides which industry sectors should be over/under weighted. Within specific industry sectors Borthwick Associates, Inc. screens for companies that possess strong fundamental characteristics including sales growth, profit margins and market share. Depending upon the risk profile of the specific client, Borthwick Associates, Inc. will determine the mix of small, mid and large capitalization securities that is appropriate.

Technical analysis is used to identify favorable entry/exit price points for individual securities. Borthwick Associates, Inc. uses historical price charts to review existing holdings and screen for potential purchase and sale candidates. Thomas R. Flaig and Meg E. Davidson look for specific patterns within the price charts to fine tune their buy and sell decisions.

Risk management techniques are employed to help mitigate overall portfolio volatility. Industry sector diversification and controls over individual position size are utilized to help control risk. Quarterly earnings reports for individual holdings are continuously monitored and reviewed. Major deviations from consensus forecasts will enter into the decision to initiate, sell, or add to specific securities.

Investing in securities involves the risk of loss that clients should be prepared to bear. Risks of investing in equities include but are not limited to geopolitical events, economic decline, missing earnings forecasts, corporate fraud and obsolescence. Risks of investing in fixed income include a change in the direction of interest rates and corporate default. Risks of investing in commodities include weather disruptions and general supply and demand forces.

ITEM 9: DISCIPLINARY INFORMATION

Since the formation of Borthwick Associates, Inc. in 1981, there has never been any disciplinary action or any administrative proceeding against Borthwick Associates, Inc. or its owners/principals by the SEC or any other federal or state regulatory agency or any foreign financial regulatory authority, nor are there any pending proceedings involving investment related business. There has also been no criminal or civil action in any domestic or foreign court of competent jurisdiction against the fore-mentioned, there are no pending proceedings, nor have any of the fore-mentioned ever been enjoined. Borthwick Associates, Inc. has never been issued an order pursuant to statutory authority and procedures including an order of denial, suspension or revocation.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Borthwick Associates, Inc. has an agreement with Bernardi Securities, Inc. of Chicago, Illinois whereby Bernardi Securities, Inc., upon referral of any of their clients to Borthwick Associates for the purpose of rendering investment advice will receive an on-going fee of 40% of the total advisory fees which Borthwick Associates charges these clients in accordance with the advisory agreement between Borthwick Associates and these referred clients. Bernardi Securities has represented and warranted to Borthwick Associates, Inc. that they are qualified to refer accounts under SEC Rule 206(4)-3(1)(ii).

ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

In conjunction with Securities and Exchange (SEC) Rule 204A-1 under the Investment advisers Act of 1940 and as described under Securities and Exchange Release Number 1A-2256, Borthwick Associates, Inc. has adopted a Code of Ethics effective January 5, 2005. This Code details the principals and standards of conduct employed by Borthwick Associates in the course of rendering their investment advisory business. This Code is not intended to describe policies and procedures as they apply to compliance rules and regulations as these matters are addressed in the firm's Supervisory Procedures Manual. Rather, this Code describes the practices and policies of Borthwick Associates in their primary fiduciary responsibility of rendering its clients an investment advisory service based on the highest values of honesty, good faith and fair dealings.

This Code covers all supervised persons of Borthwick Associates, Inc. including officers, directors and employees. It additionally covers Independent Contractors as described in this Brochure that are covered under Independent Contractor agreements.

Borthwick Associates prohibits the purchase of any security in personal trading accounts of access persons (those persons who have access to the daily trading records of Borthwick Associates) on the same day it is purchased for client's accounts. Access persons may sell a security on the same day provided all client accounts have been sold prior to entering the order. Borthwick Partners Fund is

considered a client account as the ownership stakes of Meg E. Davidson and Thomas R. Flaig in the Fund are considered inconsequential to the overall size of the Fund. The personal trading activity of access persons, who are required to submit initial and quarterly securities holdings reports, are reviewed by Meg E. Davidson, Chief Compliance Officer who is responsible for the content of the Code as well as its proper dissemination to all covered persons under the Code. The personal trading of Meg E. Davidson is reviewed by Thomas R. Flaig.

Borthwick Associates, Inc. will supply a copy of the Code to any client upon request and is also supplied with an initial delivery of its brochure and is available for viewing at all times on our website located at www.borthwickassociates.com.

ITEM 12: BROKERAGE PRACTICES

Borthwick Associates recommends the services of Fidelity Investments for all new, separately managed accounts based on their reputation, speed, and discounted commission rates. Fidelity Investments is both the suggested Broker and Custodian for the accounts of Borthwick Associates. Clients, however, have the option at the time of opening an account to select any other brokerage facility to hold their assets and transact security transactions on their behalf. Clients choosing to direct brokerage away from Fidelity Investments may pay higher brokerage commissions or receive less favorable execution prices since they will not be aggregated with other orders.

Fidelity Investments is also the Broker for the Borthwick Partners Fund Limited Partnership. The Custodian for Borthwick Partners Fund is U.S. Trust, the wealth management division of Bank of America. Bank of America charges a monthly fee based on the assets under management and the number of trades processed during the period. The custodial fee has historically added .08% to the cost of owning the Fund and is imbedded in the Net Asset Value of the Fund.

Borthwick Associates, Inc. does not receive any research or other products, services or other Soft Dollar Benefits from Fidelity Investments in connection with client securities transactions. Borthwick Associates also does not receive or participate in the brokerage commissions charged by Fidelity Investments. Borthwick Associates is not affiliated in any manner with Fidelity Investments or U.S. Trust Bank of America.

When trading for several clients at the same time, Borthwick Associates, Inc. may use block trades so all clients receive the same average unit transaction price. All participating accounts will be identified before the block order is placed. Block trades will be placed as market orders so that completion of the entire order is assured, volume permitting.

ITEM 13: REVIEW OF ACCOUNTS

Security positions in each client account are reviewed daily as to breaking news and price activity. Price and earnings activity may trigger changes in security positions at any time. Portfolios are reviewed on an ongoing basis to determine proper asset allocation. Reviews and decisions are made by Thomas R. Flaig or Meg E. Davidson.

Each client is furnished with a quarterly performance report. This report includes a detailed accounting of each security position, its cost basis, current valuation and performance summary. Borthwick Associates, Inc. utilizes Morningstar, an industry leading portfolio management reporting and accounting system.

Additionally, clients receive a monthly statement from Fidelity Investments, the Broker and Custodian for the accounts of Borthwick Associates, Inc. or from the brokerage facility that a client may elect at the time of opening an account. Brokerage statements are sent directly to the client by the Broker. Clients are urged to review and compare their Borthwick Associates statement with statements received from their Custodian. A legend to this effect is included with any statement sent to a client from Borthwick Associates.

ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

Borthwick Associates, Inc., in the providing of its investment advisory services to its clients, does not receive any economic benefits from any party. Additionally, Borthwick Associates, nor any of its related persons, does not directly or indirectly compensate any person who is not a Supervised Person for client referrals.

Borthwick Associates, Inc. has arrangements to compensate Independent Contractors for securing new individually managed accounts or Partners for Borthwick Partners Fund Limited Partnership or any newly formed partnerships. Each Independent Contractor signs an Independent Contractor Agreement which spells out his or her compensation arrangement. Compensation to Independent Contractors is taken from Borthwick Associates' advisory fee, not in addition to their fee. All Independent Contractors are Supervised Persons under Borthwick Associates. Any new account opened through the services of an Independent Contractor is provided a copy of the Independent Contractor's Compensation Agreement along with copies of the Brochure and Code of Ethics.

Borthwick Associates also accepts referrals from Bernardi Securities, Inc. as previously spelled out in this Brochure under Item 10.

ITEM 15: CUSTODY

Unless otherwise authorized in writing by the client, Borthwick Associates, Inc. uses Fidelity Investments Institutional Brokerage Group as its Qualified Custodian and Broker for its separately managed accounts. Borthwick Associates, Inc. is not affiliated in any way with Fidelity.

SEC Rule 206(4)-2 under the Investment Advisers Act of 1940 covers requirements of Investment Advisers and ensuing regulations regarding custody of client assets which includes client assets of an Investment Adviser's clients being held by a Qualified Custodian. Borthwick Associates complies with this section by having a reasonable basis after due inquiry that the Custodian sends, at least quarterly, account statements directly to each client.

Borthwick Associates, Inc. sends out its own statements in addition to those sent by the Custodian which includes a legend urging clients to compare the account statements they receive from the Custodian with those they receive from Borthwick Associates. This legend is also included in the annual Form ADV delivery offer.

To comply with the custody provisions pertaining to the Borthwick Partners Fund Limited Partnership, an annual surprise examination by a PCAOB auditor will be performed to verify the assets as well as any expenses, additions or redemptions made from the Fund. The expense of this examination will be borne by the Fund. Clients may view the most recent PCAOB auditor certification for Borthwick Partners Fund Limited Partnership by clicking on the ADV-E filing on the www.adviserinfo.sec.gov website.

ITEM 16: INVESTMENT DISCRETION

Borthwick Associates, Inc. maintains discretionary authority to manage all accounts on behalf of clients. This authority is granted to Borthwick Associates by signed agreement at the time an account is opened. There are no limitations placed on the discretionary authority of Borthwick Associates by its clients.

ITEM 17: VOTING CLIENT'S SECURITIES

Beginning August 6, 2003, the SEC (under Rule 206[4]-6) and the Department of Labor assumes that all advisers who hold discretionary authority over their accounts also bear responsibility for voting their proxies, unless that authority is specifically retained in writing by the client. Borthwick Associates' Investment Advisory Agreement is silent regarding the issue of proxy voting, therefore beginning August 6, 2003, Borthwick Associates, Inc. will receive and vote all proxies on behalf of all advisory clients.

It is the general policy of Borthwick Associates, Inc. to vote with management on all proxies. If Borthwick Associates, Inc. does not agree with the way management is operating its company, it sells the stock rather than engage in a lengthy and costly proxy battle.

Given the composition and size of Borthwick Associates, Inc. advisory clientele, there is little or no risk of not voting in the best interest of the client or conflicts of interest arising between itself and those of its clients. Clients may obtain information on this policy or how their individual proxies were voted by contacting Thomas R. Flaig, President at 312-630-0180 or tflaig@ameritech.net.

Should Borthwick Associates, Inc. have reason to stray from this policy, a written record will be kept including all material associated with the voting. Records will also be kept on written client requests for proxy voting information and Borthwick Associates, Inc.'s responses to those clients.

ITEM 18: FINANCIAL INFORMATION

Borthwick Associates, Inc. does not require nor does it solicit prepayments of more than \$500.00 in fees from any existing or new client. As such, and in accordance with the requirements of SEC Rule 204-3, Borthwick Associates, Inc. is not required to include an audited Balance Sheet with this brochure.

ITEM 19: REQUIREMENTS FOR STATE REGISTERED ADVISERS

By June 28, 2012, all Investment Advisers with assets under management of less than \$100,000,000 will become registered with their respective state. State registered advisers are required to submit biographical information of all principal officers.

Meg E. Davidson has been associated with Borthwick Associates Inc. since 1985. Meg is the portfolio manager for the Borthwick Partners Fund Limited Partnership as well as several separately managed accounts. She is also the Chief Compliance Officer. Meg graduated from Valparaiso University with a B.S. in Business Administration-Finance in 1983. She is a registered investment adviser. There has never been any legal, criminal or investment related disciplinary actions or proceedings against her nor are there any pending such actions. Meg is not involved in any other investment related activities and receives no compensation or any other economic benefits from outside sources in her providing advisory services. Meg can be contacted directly at megdavidson@ameritech.net.

Thomas R. Flaig, CFA, joined Borthwick Associates, Inc. in April 2000 and moved into the role of President in February 2005. Tom is the portfolio manager for many of the firm's individually managed accounts. Tom graduated from the University of Wisconsin-Madison in 1980 and earned an MBA in Finance in 1981. Tom has extensive investment experience, having served as portfolio manager and analyst at Legacy Asset Management and Sears Investment Management Company. Tom was a Vice-President for Goldman Sachs Chicago where he was involved in institutional research sales for the Midwest region. There has never been any legal, criminal or investment related disciplinary actions or proceedings against him nor are there any pending such actions. Tom is not involved in any other investment related activities and receives no compensation or any other economic benefits from outside sources in his providing advisory services. Tom can be contacted directly at tflaig@ameritech.net.

ITEM 20: GLOSSARY OF TERMS

Access Persons: An access person is a supervised person who has access to nonpublic information regarding client's purchases or sales of securities. Access persons include portfolio management personnel and, in some cases, administrative, clerical and technical personnel, which, due to their duties and functions, have access to nonpublic information.

Annual Updating Amendment: This is an amendment to Borthwick Associates, Inc.'s Form ADV that reaffirms its eligibility of qualifying as an SEC Registered Investment Adviser due to its having Assets Under Management of over \$25,000,000.

Brochure: A written disclosure statement containing information about the Investment Adviser and certain of its supervised persons that must be provided to clients and prospective clients, and is required under SEC Rule 204-3.

Control: Control means the power, directly or indirectly, to direct the management or policies of a person, whether through ownership, by contract, or otherwise. Each of Borthwick Associates, Inc.'s officers exercising executive responsibility is presumed to control the firm.

Custody: Custody means holding, directly or indirectly, clients funds or securities, or having an authority to obtain possession of them. Custody includes any arrangement under which you are authorized or permitted to withdraw client's funds or securities maintained with a custodian upon your instruction to the custodian.

Discretionary Authority: Borthwick Associates, Inc. has discretionary authority over its accounts as it has the authority to decide which securities to purchase or sell for the client.

Enjoined: This term includes being subject to a mandatory injunction, prohibitory injunction, preliminary injunction, or a temporary restraining order.

Foreign Financial Regulatory Authority: This term includes (1) a foreign securities authority and (2) another governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of investment-related activities.

Investment-Related: This term includes activities pertaining to securities and includes, but not limited to, acting or being associated with an investment adviser, broker-dealer, municipal securities dealer, government securities broker or dealer, issuer, investment company, bank or savings association.

Performance-Based Fee: An investment advisory fee based on a share of capital gains or capital appreciation of clients assets.

Proceeding: This term includes a formal administrative or civil action initiated by a governmental agency, self-regulatory organization or foreign financial regulatory authority.

Soft Dollar Benefits: This term includes any economic benefits such as discounts or waiver of fees for services or products utilized by an adviser in the conduct of their advisory functions. It also includes any payment for these products or services to a third party in exchange for the adviser directing the trading activity to a Broker.

Supervised Person: This term includes any of our officers, partners, directors and employees who provide investment advice on our behalf as well as any independent representatives.