

**Part 2A of Form ADV: *Firm Brochure***

**Wasmer, Schroeder & Company, Inc.**

600 5th Avenue South  
Suite 210  
Naples, FL 34102

Telephone: (239)263-6877  
Email: [jmh@wasmerschroeder.com](mailto:jmh@wasmerschroeder.com)  
Web Address: [www.wasmerschroeder.com](http://www.wasmerschroeder.com)

October 10, 2012

This brochure provides information about the qualifications and business practices of Wasmer, Schroeder & Company, Inc. If you have any questions about the contents of this brochure, please contact us at (239)263-6877 or [jmh@wasmerschroeder.com](mailto:jmh@wasmerschroeder.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Wasmer, Schroeder & Company, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 105323.

## **Item 2    Material Changes**

This Firm Brochure, dated October 10, 2012 provides you with a summary of Wasmer, Schroeder & Company, Inc.'s advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes material changes on information previously provided in our Firm Brochure dated October 4, 2012:

- There have been no material changes since our previous ADV Part 2A dated October 4, 2012.

<b>Item 3</b>	<b>Table of Contents</b>	<b>Page</b>
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	5
Item 6	Performance-Based Fees and Side-By-Side Management	8
Item 7	Types of Clients	9
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	9
Item 9	Disciplinary Information	12
Item 10	Other Financial Industry Activities and Affiliations	12
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	14
Item 12	Brokerage Practices	16
Item 13	Review of Accounts	18
Item 14	Client Referrals and Other Compensation	19
Item 15	Custody	19
Item 16	Investment Discretion	19
Item 17	Voting Client Securities	20
Item 18	Financial Information	21

## **Item 4    Advisory Business**

Wasmer, Schroeder & Company, Inc. (WSC) is a SEC-registered investment adviser with its principal place of business located in Florida. WSC began conducting business in 1988.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Martin Manning Wasmer, Chief Executive Officer
- Michael John Schroeder, President & Chief Investment Officer

Our clients include individuals, banking or thrift institutions, pension and profit sharing plans, trusts, charitable organizations, corporations and other business entities, and private investment funds. WSC specializes in structuring and managing taxable and tax exempt fixed income strategies. WSC provides discretionary and non-discretionary investment advice to clients directly and through other financial advisers ("Sub-Advised" clients) or wrap programs ("Wrap Program" clients). WSC receives a portion of the Wrap Program fee as compensation for its investment advisory services to Wrap Program clients.

WSC offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to clients regarding the investment of client funds based on the individual objectives of the client. Our firm is primarily hired as a sub-adviser to wealth manager platforms and to a lesser extent wrap program clients. For sub-advised accounts, client specific reviews are conducted by the client's primary financial advisor or wrap program sponsor prior to hiring WSC. For direct clients, through discussions and/or client questionnaires in which goals and objectives based on a client's particular circumstances are established, we determine the appropriate fixed income investment strategy for the client and create and manage a portfolio based on that strategy. During our information gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis as determined with each client. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations primarily include advice regarding municipal securities, corporate debt securities and United States government securities. Client portfolios may also include:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers

- Warrants
- Commercial paper
- Certificates of deposit
- Mutual fund shares

Clients may also invest in interests in partnerships, such as hedge funds and other pooled investment vehicles (together "Private Investment Funds") investing in high yield fixed income securities and commercial real estate securities. Because these types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. For these Private Investment Funds WSC acts as the general partner and/or investment manager and receives additional fees and/or compensation. Additional information about the fees related to such investments is included in the Fund's offering documents provided to prospective qualified investors.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2011, we were actively managing \$4,100,171,231 of clients' assets on a discretionary basis plus \$28,168,197 of clients' assets on a non-discretionary basis. Included in the non-discretionary assets is \$11,225,626 of clients' assets being managed by unaffiliated equity managers through the Greenrock platform. Approximately 98% of WSC assets under management are Separately Managed Accounts and approximately 2% of WSC assets under management are for Private Investment Funds.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

#### **Separately Managed Accounts**

Our annual fees for Investment Supervisory Services of separately managed accounts are based upon a percentage of assets under management and generally range from .20% to .50%. Fees are payable either in advance or in arrears, monthly or quarterly as determined by the client's specific arrangement. WSC may deduct fees directly from the client's custodial account, or bill the client directly or bill the Sub-Advised client's other adviser. For Wrap clients, WSC is paid a portion of the wrap fee by the wrap sponsor. Fees are negotiable based on certain factors including, but not limited to, the size, complexity and investment objectives of the client's account.

The annualized fee for Investment Supervisory Services is charged as a percentage of assets under management, according to the following standard fee schedule:

TAX EXEMPT STRATEGIES			TAXABLE STRATEGIES	
<b>Short-Term Tax Exempt Fixed Income</b>			<b>Short-Term Taxable Fixed Income</b>	
Portfolio Size	Fee in Basis Points		Portfolio Size	Fee in Basis Points
First \$5 Million	30.0		First \$5 Million	30.0
Next \$5 Million	25.0		Next \$5 Million	25.0
Over \$10 Million	20.0		Over \$10 Million	20.0
<b>Intermediate Tax Exempt Fixed Income</b>			<b>Intermediate Taxable Fixed Income</b>	
Portfolio Size	Fee in Basis Points		Portfolio Size	Fee in Basis Points
First \$5 Million	40.0		First \$5 Million	50.0
Next \$5 Million	30.0		Next \$5 Million	40.0
Over \$10 Million	25.0		Over \$10 Million	35.0
<b>Long-Term Tax Exempt Fixed Income</b>			<b>Taxable Municipal Fixed Income</b>	
Portfolio Size	Fee in Basis Points		Portfolio Size	Fee in Basis Points
First \$5 Million	40.0		First \$5 Million	50.0
Next \$5 Million	30.0		Next \$5 Million	40.0
Over \$10 Million	25.0		Over \$10 Million	35.0
<b>Strategic Tax Exempt Fixed Income</b>			<b>Long-Term Taxable Fixed Income</b>	
Portfolio Size	Fee in Basis Points		Portfolio Size	Fee in Basis Points
First \$5 Million	50.0		First \$5 Million	50.0
Next \$5 Million	40.0		Next \$5 Million	40.0
Over \$10 Million	35.0		Over \$10 Million	35.0

**Please note: Minimum size and fees for existing advisory clients are subject to WSC's minimums at the time the client entered into the advisory relationship and may differ from the fees noted above and account minimums noted in Item 7 below.**

### **Private Investment Funds**

Approximately 2% of WSC **Assets Under Management** is in Private Investment Funds. Our annual fees for Investment Supervisory Services of Private Investment Funds are 1% of assets under management. These Private Investment Funds typically pay WSC a percentage of assets under management as well as a performance-based compensation ("Incentive Fee"). The Incentive Fee is calculated based on a percentage of the net profits of the account(s) on a frequency as described in the Fund's offering documents provided to prospective investors.

WSC's Incentive Fee ranges from 10% to 15% of the net profits above the Fund investor's previous "high water mark". To the extent that the amount of account appreciation is less than the high water mark, there is a loss carry forward allocation that must be recouped before WSC is entitled to a performance-based fee. WSC may waive performance fees for certain investors such as employees or family members of WSC. If these fees are waived the overall performance fee is reduced and there is no impact to investors paying performance fees.

In instances in which our firm's investment advisory services are provided for an Incentive Fee based compensation, clients should recognize that such fee arrangements create an investment conflict as it creates an incentive to allocate profitable investments to the Fund thereby enabling us to recognize increased compensation for our management services. Although this conflict is important to note, the Private Investment Funds are managed under different strategies than the separately managed accounts and, although holdings may be similar at times, time horizon, holding periods and other considerations are typically dissimilar.

In measuring the Private Investment Funds' advisory assets for the calculation of performance-based fees, WSC includes: for securities for which market quotations are readily available, the realized capital losses and unrealized capital losses of securities over the period and, if the unrealized capital appreciation of the securities over this period is included, the unrealized capital depreciation of securities over the period. As such, we may receive increased compensation with regard to unrealized appreciation as well as unrealized gains in the Private Investment Funds' account.

The Private Investment Funds' investors must understand the performance-based fee method of compensation and its risks prior to investing in these Private Investment Funds. Investors must meet specific requirements to be eligible to review investment documents for, and invest in, Private Investment Funds.

PERFORMANCE-BASED FEES WILL ONLY BE CHARGED IN ACCORDANCE WITH THE PROVISIONS OF REG. 205-3 OF THE INVESTMENT ADVISERS ACT OF 1940 AND/OR APPLICABLE STATE REGULATIONS. THE FEES WILL NOT BE OFFERED TO ANY CLIENT RESIDING IN A STATE IN WHICH SUCH FEES ARE PROHIBITED.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded or credited. In calculating a client's reimbursement of fees, we will pro-rate the reimbursement according to the number of days remaining in the billing period. Also, certain fees may be billed in arrears; in the event of termination WSC will send the client a pro-rated final bill for services rendered through termination date.

***Mutual Fund and/or ETF Fees:*** All fees paid to WSC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. WSC does not receive any commissions. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the mutual funds and/or ETFs and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. The client should review the mutual fund and/or ETF prospectus for additional information.

**Wrap Fee Programs:** Clients participating in wrap fee programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without a commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Grandfathering of Fee Arrangements and Minimum Account Requirements:** Pre-existing advisory clients are subject to WSC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements and fee arrangements will differ among clients. Also, a small percentage of legacy direct clients may have a flat fee arrangement that is no longer available to new clients.

**ERISA Accounts:** WSC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, WSC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset WSC's advisory fees.

**Advisory Fees in General:** Clients should note that similar advisory services may or may not be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

### **PERFORMANCE-BASED FEES**

As we disclosed in Item 5 of this Brochure, our firm accepts a performance-based fee from the Private Investment Funds managed by WSC. Such a performance-based fee is calculated based on a share of the total return including capital gains on or capital appreciation of the assets of the client. To qualify for a performance-based fee arrangement, a Fund investor must either demonstrate a net worth of at least \$1,500,000 or must have at least \$750,000

invested in WSC Funds. Also, the investor must be a Qualified Purchaser as further described in the Private Investment Funds' offering documents.

Clients should be aware that a performance-based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

Furthermore, as we also have clients who do not pay performance-based fees, we have an incentive to favor accounts that do pay such fees because compensation we receive from these clients is more directly tied to the performance of their accounts. Although this conflict is important to note, our Private Investment Funds are managed under different strategies than the separately managed accounts and, although holdings are similar at times, the time horizon, holding periods and other considerations are typically dissimilar.

## **Item 7    Types of Clients**

WSC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Trusts
- Banking or thrift institutions
- Pension and profit sharing plans (other than plan participants)
- Private Investment Funds (other pooled investment vehicles/hedge funds)
- Charitable organizations
- Corporations or other business entities not listed above

WSC establishes accounts with clients both directly and indirectly. Direct clients make up approximately 32% of our business, while indirect clients make up approximately 68% of our business. Indirect clients are those clients hiring WSC through a relationship with their wealth manager (primary adviser) or through wrap programs.

Our firm has established certain initial minimum account requirements, as well as minimum account requirements to maintain an account, based on the nature of the service(s) being provided. WSC has a typical minimum dollar value of assets for direct clients of \$1,000,000 and \$500,000 for Sub-Advised and Wrap Program accounts. Certain minimums may be negotiable.

## **Item 8    Methods of Analysis, Investment Strategies and Risk of Loss**

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors including the overall economy, industry conditions, and the financial condition and management of the company or issuer to determine if the security is under priced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the issuer.

**Cyclical Analysis.** Cyclical analysis involves looking at overall macro trends of state, local, national and global economic trends. This includes, but is not limited to, unemployment rates, industrial production, wage growth and other factors. Cyclical trends in the economy are then applied to security selection, yield curve positioning and credit quality decisions.

**Quantitative Analysis.** WSC employs a conservative credit approach that emphasizes the investment grade quality, essential-purpose sectors in the municipal bond market. WSC reviews each purchase candidate utilizing various industry specific credit metrics and statistics. These include analyzing relevant economic, demographic, and employment data as well as issuer financial position and debt burden. These credit metrics are evaluated using WSC's approved credit criteria as a framework. With each corporate issuer we evaluate a range of metrics ranging from broad-based data to ratios that have industry specific relevance. These metrics often reveal areas that need further examination. This spectrum of quantitative analysis provides an identifiable risk assessment.

**Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and incorporate this analysis into our investment decision process based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the issuers whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

WSC manages portfolios of fixed income securities with a variety of structures, attributes and characteristics such as, but not limited to, the range of maturities held and the taxability of the income generated by various issues held. Portfolios within a given strategy may not hold identical securities but they generally share common key attributes and are managed consistent with the strategy-specific investment mandate as more fully described in each client's Addendum to Portfolio Management Agreements or Investment Policy Statement. Following is a brief overview of our investment strategies:

**Intermediate Tax-Exempt Fixed Income.** The strategy contains predominantly investment grade US municipal fixed income securities which, in the aggregate, exhibit an intermediate (3-6 year) overall duration. The strategy is managed primarily to maximize tax exempt income while protecting capital. Growth of principal is a secondary consideration.

**Strategic Tax-Exempt Fixed Income.** The strategy contains both investment grade and non-rated US municipal fixed income securities. The strategy does not utilize a predetermined duration restriction and may exhibit sensitivity to changes in long term tax exempt interest rates. The strategy is managed primarily to maximize tax exempt income while protecting capital. Growth of principal is also a secondary consideration.

**Short-Term Tax-Exempt Fixed Income.** The strategy contains predominantly investment grade US municipal fixed income securities which, in the aggregate, exhibit a short-term ( $\leq 3$  years) overall duration. The strategy is managed primarily for principal protection, liquidity and tax exempt income in excess of cash and cash alternatives. Growth of principal is not a material consideration.

**Long-Term Tax-Exempt Fixed Income.** The strategy focuses on maturities predominantly in the 10-30 year area of the yield curve. Call protection is significant as this strategy focuses on locking in long-term tax exempt yields. Portfolios consist of predominantly highly-rated (AA and AAA) securities to minimize long-term credit risk. A minor portion of the portfolio may be allocated to bonds with maturities of less than 10 years if market conditions warrant.

**Intermediate Taxable Fixed Income.** The Strategy contains investment grade US corporate bonds, US government agency debt and taxable municipal bonds which in the aggregate exhibit an intermediate term (3-5 years) overall duration. Mortgage-backed, asset-backed and preferred securities are also utilized. The Strategy is managed primarily to maximize income and protect principal. Growth of principal is also a secondary consideration.

**Short-Term Taxable Fixed Income.** The Strategy contains investment grade US corporate bonds, US government agency debt and taxable municipal bonds which, in the aggregate, exhibit a short term ( $\leq 3$  years) overall duration. The Strategy is managed primarily for principal protection, liquidity and taxable income in excess of cash and cash alternatives. Growth of principal is not a material consideration.

**Long-Term Taxable Fixed Income.** The strategy is managed primarily for high current income and capital preservation. Growth of principal is a secondary objective. The strategy utilizes a mix of investment-grade corporate bonds, taxable municipal bonds and government agency debt. Portfolios also maintain strategic allocations of Agency mortgage-backed securities, asset-backed securities and preferred equity, depending on market conditions. Credit quality is high, with portfolios maintaining an average credit quality of AA.

**Taxable Municipal Fixed Income.** The Strategy is managed primarily for high current income and capital preservation. The Strategy contains a mix of taxable municipal bonds and Build America Bonds to establish a core portfolio. Credit quality is high with the majority of the portfolio invested in AAA and AA-rated securities.

**High Yield Total Return.** The Osprey High Yield Opportunity Fund seeks to generate high risk-adjusted returns to its Investors while maintaining a focus on capital preservation. To accomplish these objectives, the Fund transacts in high yield and distressed (and in some cases, defaulted) securities primarily in the municipal bond market. The Fund's investment process is driven by underlying asset valuation and recovery projections. The majority of the Fund's returns will be achieved through a combination of high current income and capital appreciation. The Fund's primary investments will include high yield and municipal bonds, but may also include distressed corporate bonds, mortgage-backed securities, asset-backed securities and other pass through instruments. Subject to market conditions, the Fund may also utilize convertible securities, preferred equity and real estate investment trusts (REITs).

**Commercial Real Estate Securities.** The primary investment objective of the Osprey Commercial Real Estate Securities Fund is to preserve capital, while providing an attractive current cash return, with the embedded potential to realize capital appreciation. The Fund will seek to provide current income and maximum long-term after-tax capital appreciation commensurate with reasonable risk. The Fund defines risk as the probability of permanent loss of capital, rather than security price volatility. The Fund will invest in a combination of real estate related fixed income securities, primarily including Commercial Mortgage Backed Securities and Commercial Real Estate Collateralized Debt Obligation bonds. In addition, up to ten percent (10%) of the Fund may be invested in various other investments which, in the opinion of the portfolio manager, offer investment returns and risk characteristics consistent with the Fund's investment objective. This Private Investment Fund is managed by an unaffiliated sub-adviser, Aqua Investment Management, LLC, an investment advisory firm registered with the State of New York.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9    Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## **Item 10    Other Financial Industry Activities and Affiliations**

### **Private Investment Funds:**

Management personnel of WSC may also be managing member(s) of limited liability companies (LLCs) and/or general partner(s) or investment manager(s) to limited partnerships, (LPs) and Private Investment Funds formed for investment purposes. As appropriate, our advisory clients may be solicited to invest in such LPs/Private Investment Funds. These related persons of our firm do not receive investment advisory compensation in relation to these investments, but do have a conflict of interest in soliciting client investments.

Because investment in these types of entities may involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives,

tolerance for risk, liquidity and suitability.

While the portfolio managers and sub-adviser spend generally 100% of their time on the management of the Private Investment Funds, other related persons of our firm may spend as much as 10% of their time on these related activities.

A list of these affiliated entities is specifically disclosed on Schedule D of Form ADV, Part 1 at Item 7.B. Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.

Qualified clients interested in investing in the LPs or Private Investment Funds should refer to the LP/Private Investment Fund offering documents, including the private placement memorandum, for more information specific to the LPs/Private Investment Funds.

In addition, our firm serves as the investment adviser to such entities. Advisory clients of our firm are solicited to invest in these entities; however, because investment in these types of entities may involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Clients are under no obligation to invest in any of the above described entities or to implement any advisory recommendations.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.) Although WSC does not have any affiliated advisers, WSC may recommend that clients use the services of Wanzenberg Partners LLC, ("Wanzenberg") a registered adviser. WSC is a less than 25% owner of Wanzenberg. WSC does not receive any referral fees from Wanzenberg, but may indirectly benefit from these referrals because of its part ownership of Wanzenberg.

Clients should be aware that the receipt of additional compensation by WSC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. WSC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and

- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

WSC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

WSC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [jmh@wasmerschroeder.com](mailto:jmh@wasmerschroeder.com), or by calling us at (239)263-6877.

The principals of WSC are also the principals of Osprey Asset Management, LLC and Osprey CRE Asset Management, LLC, the General Partner of Osprey High Yield Opportunity Fund, L.P. and Osprey Commercial Real Estate Securities Fund, L.P. and the Investment Manager for Osprey HYOF Limited, Osprey (BVI) High Yield Opportunity Fund Limited, Osprey Commercial Real Estate Securities Offshore Fund Limited and Osprey (BVI) Commercial Real Estate Securities Offshore Fund Limited (the Private Investment Funds). The General Partner has designated WSC as having primary responsibility for investment management and administrative matters, such as accounting, tax and periodic reporting, pertaining to the Fund. WSC and our members, officers and employees will devote to the Fund as much time as we deem necessary and appropriate to manage the Fund's business. WSC and our affiliates are not restricted from forming additional investment funds, entering into other investment advisory relationships or engaging in other business activities, even though such activities may be in competition with the Fund and/or may involve substantial time and resources of our firm and our affiliates. Potentially, such activities could be viewed as creating a conflict of interest in that the time and effort of our management personnel and employees will not be devoted exclusively to the business of the Fund, but could be allocated between the business of the Fund and other of our business activities and those of our affiliates.

Investments in the Fund may be recommended to advisory clients for whom a partnership investment may be more suitable than would a separate advisory account managed by our firm. Clients who invest in the Fund are not charged any additional advisory fees other than the advisory fee allocated to the limited partners of the Fund.

The Fund is not required to register as an investment company under the Investment Company Act of 1940 in reliance upon an exemption available to funds whose securities are not publicly offered. WSC manages the Fund on a discretionary basis in accordance with the terms and conditions of the Fund's offering and organizational documents.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

We do not aggregate our employee trades with client transactions.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may complete purchase or sell trades totaling \$50,000 or more in value of any security without prior approval if the transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, however, when WSC is granted discretionary authority the client account will be managed per the specific client agreement.
8. All of our principals and employees must act in accordance with all applicable Federal and

State regulations governing registered investment advisory practices.

9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

WSC requires that clients provide us with authority to determine the broker-dealer to use and the commissions and/or mark-ups/mark-downs that will be charged to our clients for these transactions. WSC generally will not accept client direction to use a specific broker-dealer to execute some or all transactions for the client's account.

WSC's services include the selection of brokers to be used and the negotiation of commission rates and/or mark-ups/mark-downs paid; it is WSC's policy to seek quality execution at the most favorable prices through responsible broker/dealers. WSC employs an evaluative process conducted by its brokerage review committee whereby quarterly assessments of its brokerage allocations are made based on multiple criteria. In selecting broker/dealers to execute transactions, WSC may consider such factors, including but not limited to, the price of the security, the rate of the commission and/or mark-ups/mark-downs, the size of the order, the reliability, integrity, financial condition, general execution and operational capabilities of the competing broker/dealers, and the brokerage and research services provided to WSC. A client may pay a commission and/or mark-up/mark-down that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission and/or mark-up/mark-down is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealers services, including the value of research provided, execution capability, commission rates and/or mark-ups/mark-downs, and responsiveness. Accordingly, while WSC will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates and/or mark-ups/mark-downs for specific client account transactions. The investment research products and services that may be obtained by us will generally be used to service all of our clients. WSC does not direct trades in order to obtain research.

WSC will execute block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute trades in a timelier, more equitable manner, at an average price. WSC will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. WSC's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with WSC, or our firm's order allocation policy.
- 2) The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable WSC to achieve best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, the portfolio manager determines the proposed allocation of the order which identifies each client account expected to participate in the order upon completion.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated. Adjustments to this allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of securities held in any client account, or to avoid excessive ticket charges in smaller accounts according to the firm allocation policy. Allocations are determined by strategy and client type with regard to how securities are allocated to an account. Considerations for allocation in municipal accounts include but are not limited to client state of residence, cash as a percentage of assets, lot size and structural needs. For taxable accounts considerations include, but are not limited to, cash as a percentage of assets, lot size, asset class needs, duration and ratings needs.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of securities traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided as soon as possible, but no later than the morning following the execution of the aggregate trade.
- 8) WSC's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on WSC's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

If a client does not have an existing custodial relationship, WSC may recommend that the

client establish the brokerage account(s) with a custodian with whom WSC has an existing relationship. While the custodian chosen does not impact the investment advice provided, WSC may receive benefits that may not be available if the client chose a different custodian and that may or may not depend on the amount of assets custodied.

These benefits may include:

- 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 our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

These services may also include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

These benefits and services may be useful for all client accounts. Although we recommend that clients establish accounts with specific custodians, it is the client's decision to determine the custodian to custody their assets. WSC is independently owned and operated and not affiliated with any custodian.

As a result of receiving benefits and such services for no additional cost, we may have an incentive to continue to use or expand the use of the custodians' services. We examined this potential conflict of interest when we chose to enter into the relationships and periodically review such conflicts and have determined that these arrangements are in the best interests of WSC's clients and satisfy our client obligations, including our duty to seek best execution.

## **Item 13    Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

Michael John Schroeder

President & Chief Investment Officer

Justin Stewart Land	Senior Vice President, Portfolio Manager
Douglas Everett Fowler	Vice President, Portfolio Manager
Emily Mahan Riddell	Portfolio Manager
Thomas Noyes Richmond, Jr.	Managing Director, Portfolio Manager
John Stephen Majoros, III	Managing Director, Portfolio Manager
Brian Michael Dixon	Municipal Trader
Christopher Edward Sheehan	Portfolio Manager
Elizabeth Reed McHugh	Director of Client Services
Nicholl Marie Marling	Client Services Manager
Betty Marie Coomes	Client Services Manager
Mia Louisa Hyatt	Client Services Manager

**REPORTS:** In addition to the monthly statements from custodians and confirmations of transactions that clients receive from various broker-dealers, we provide reports summarizing account performance, balances and holdings. Reports are also available more or less frequently as requested by the client.

## **Item 14 Client Referrals and Other Compensation**

WSC may pay third parties who refer clients to it, including Strategic Advisers, Inc. ("SAI"), a registered investment adviser and subsidiary of FMR LLC, the parent company of Fidelity Investments. WSC participates in the Fidelity Wealth Advisor Solutions Program, through which WSC receives referrals from SAI. WSC pays referral fees to SAI for each referral received based on WSC's assets under management attributable to each client referred by SAI or members of each client's household. These referral fees are paid by WSC and not the client.

Some solicitors may require WSC to meet certain minimum participation criteria, or may select WSC as a result of its other business relationships with the solicitor and its affiliates. As a result, WSC may have a potential conflict of interest in using or recommending the solicitor or its affiliates to provide services such as brokerage and custody to its advisory clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm may directly deduct advisory fees from client accounts based on the specific arrangement with each client.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis or as requested by Client. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell; and/or
- determine the broker or dealer to be used for a purchase or sale of client's securities; and/or
- determine the price, commission rates and/or mark-up/mark-down to be paid to a broker or dealer for a client's securities transactions.

Clients give us discretionary authority when they sign a discretionary portfolio management agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by providing us with subsequent or additional written instructions.

## **Item 17 Voting Client Securities**

We vote proxies for all discretionary client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting their client services representative by email to [clientservices@wasmerschroeder.com](mailto:clientservices@wasmerschroeder.com) or by telephone to (239)263-6877 or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact their client services representative by email to [clientservices@wasmerschroeder.com](mailto:clientservices@wasmerschroeder.com) or by telephone to (239)263-6877 or in writing.

We vote proxies for some, but not all of our clients. Clients may, at their election, choose to receive proxies related to their own accounts, in which case we may consult with clients as requested.

We vote proxies for only discretionary client accounts. We will not vote proxies for non-discretionary accounts.

For accounts where we do not vote proxies, our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

Clients can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. The client can also instruct us on how to cast your vote in a particular proxy contest by contacting their client services representative by email to [clientservices@wasmerschroeder.com](mailto:clientservices@wasmerschroeder.com) or by telephone to (239)263-6877 or in writing.

WSC does not provide tax or legal advice and clients are urged to consult their tax or legal advisers for such advice.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts and is deemed to have custody we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. WSC has no additional financial circumstances to report.

WSC has not been the subject of a bankruptcy petition at any time during the past ten years.