

THE HEADLANDS GROUP, INC.

This brochure provides information about The Headlands Group, Inc.'s ("The Headlands Group", "THG") qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at 415-464-9144 or by email at thgroup@headlandsgroup.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 The Headlands Group, Inc. is also available at the SEC's website www.adviserinfo.sec.gov (select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

We are a Registered Investment Advisor Firm. Our registration does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.

ITEM 1 – COVER PAGE

MARCH 29, 2012

CRD #: 105630

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ITEM 2 – MATERIAL CHANGES

This brochure, dated March 29, 2012, has been prepared by The Headlands Group to meet new SEC requirements. This section of the brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.

We may, at any time, update this brochure and then either send you a copy or offer to send you a copy (either by email or in hard copy form). At minimum, a new brochure will be offered within 120 days of the close of each fiscal year.

Since our 2011 annual offering, the following changes have been made:

- ADV Part 2 A brochure (this document) template has been renewed in concept; any content changes are listed below.
- Item 4.e: Assets under management have been updated.
- Item 19: these items have been added as THG is transitioning from an SEC registered Investment Advisor to a State registered Investment Advisor.

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ITEM 4 – ADVISORY BUSINESS

4a: Firm Description

The Headlands Group was established in February 1985 by Theresa O'Neill. Our main office is located in Larkspur, California.

4a1: Principal Members

- Theresa O'Neill, 50% Owner - President and Chief Compliance Office (CCO): Ms. O'Neill may be contacted by email at terryo@headlandsgroup.com or by telephone at 415-464-9144.
- Paul Barkev Nargiz, 50% Owner - Secretary (generally not involved in the day-to-day operations): Mr. Nargiz may be contacted by telephone at 415-464-9144.
- Kal Salama, Chief Investment Officer: Mr. Salama may be contacted by email at kal@headlandsgroup.com or by telephone at 415-464-9144.

4b: Types of Advisory Services

The Headlands Group offers our clients investment management wealth services, including any financial consulting that may be required. The Headlands Group works extensively with our potential clients to inform them fully on our equity and bond portfolios so that their wealth strategies will match their risk tolerance and mix of assets. Our financial consulting may include information or planning advice regarding estate, tax, real estate, insurance contracts, annuities contracts, or any types of real or personal property.

4c: Client Tailored Relationships and Restrictions

As a fiduciary, The Headlands Group always acts solely in your best interests. Your portfolio is customized based on your risk tolerance and capacity between the Headlands Group's equity and bond offerings. We generally do not accept restrictions on the contents of the equity or bond portfolios, just the clients percentage of assets in each. Restrictions on trading which, in our opinion, are not in your best interest cannot be honored.

Similarly, you are under no obligation to act upon The Headlands Group's or associated person's recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect the transaction through THG or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

4d: Wrap Fee Program

The Headlands Group does not sponsor a wrap fee program.

4e: Assets under Management (AUM)

The Headlands Group, as of January 1, 2012, has \$56,671,651 in discretionary reportable Assets under Management and \$324,131 in non-discretionary reportable Assets under Management for a total of \$56,995,782.

ITEM 5 – FEES AND COMPENSATION

5a: Fee Schedules

Portfolio Management Fees

Fees for money management services generally range up to 2.00% of assets annually, depending on account size and other factors. For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded, or by the sponsor company in the case of a mutual fund. For certain qualified Headlands Group clients who hold the Sophia Fund, a portion of their assets may be valued by external accounting and auditing firms.. Notwithstanding the above, fees are generally negotiable.

Compensation for our services will be calculated in accordance with what is set in the clients agreement. We may modify the terms of any agreement with at least 30 days prior written notice.

Financial Consulting Fees

These fees may be set at an hourly rate of \$240 an hour or be arranged as a fixed fee. We are not responsible for outside attorney or account fees charged to you as a result of any collaboration on consulting for your portfolio.

Other Fees

Broker-dealer Charles Schwab & Co., Inc., and other broker-dealers which we may work with, charge transaction and commission fees for portfolio transactions and wire fees for outbound distributions. (See Item 12 – Brokerage Practices.)

Investment vehicles used in The Headlands Group portfolios have embedded fees and expenses.

5b: Fee Payments Options

Portfolio Management Fees

The Headlands Group fees are paid from your account by the custodian when we submit an invoice to them. The invoice we submit shows the amount of fees, the value of your assets on which the fees are based, and the specific manner in which the fees are calculated. If there is insufficient cash in your account, securities may be sold. In addition to our fees, there may be custodial, mutual fund or similar third party management fees and charges.

5c: Third Party Fees

You are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees we charge.

All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us. While we take measures to ensure the fees charged are accurate, it is your responsibility to ensure the amount of fee charged is correct. In addition to statements sent by us, you will receive statements directly from these brokers, custodians or mutual funds or other investments you hold. We strongly urge you to compare these statements for accuracy.

5d: Fee Payments

The Headlands Group fees are paid quarterly in advance, and are based on the type of account, the level of service desired by the client, and the assets under management on the last day of the quarter preceding the billing period. Quarterly fee adjustments for additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.

Hourly financial planning fees are paid upon completion of the project.

For California Residents: Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment Advisors disclose to their clients that lower fees for comparable services may be available from other sources. Pursuant to California Rule 260.235.2, if a conflict exists between the interests of the Advisor or its associated persons and the interest of the client; the client is under no obligation to act upon this Advisor's or associated person's recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the advisor or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

Termination

Either The Headlands Group or our clients can terminate our agreement upon receipt of written notice to the other party.

When an agreement is terminated, we will charge for 30 days of management and refund any additional pre-paid, unearned fees based on the number of days remaining in the quarter at the end of those 30 days. Refunds will be made within 30 calendar days of the effective date of termination.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. Custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good-faith estimate of these fees.

5e: Other Investment Compensation

The Headlands Group does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

The Headlands Group does not charge advisory fees on the performance of funds or securities in your account.

ITEM 7 – TYPES OF CLIENTS

The Headlands Group clients are high net worth individuals, trusts and institutions defined as those able to meet the minimum account size. The minimum size for a new client account is generally \$2.0 million. The Headlands Group may waive this minimum.

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

8a: Analysis

The Headlands Group's services are tailored to the individual needs of each client. Client meetings, conversations, and other types of communications are designed to assess client needs. Through such interactions, very specific information relevant to client investment needs is obtained and used in arriving at the appropriate path for meeting client investment goals. The path will include a combination of financial consulting and portfolio management.

The Headlands Group investment approach is long term in nature and has three distinct components: Diversification, Rebalancing, and Valuation.

Diversification – The Headlands Group diversifies globally into non-U.S. markets to improve portfolio return at every risk level.

The Headlands Group invests all equity portfolios in a) U.S. Large Company Equities, b) Non-U.S. Large Company Equities, c) U.S. Small Company Equities, Non-U.S. Small Company Equities, and d) Emerging Market Equities. The Headlands Group invests all bond portfolios in a) U.S. Investment Grade Bonds, b) U.S. High Yield Bonds, c) Non-U.S. Investment Developed Market Bonds, and d) Emerging Market Bonds.

Within each asset class, clients hold a well-diversified securities portfolio. At the end of 2010, The Headlands Group's equity portfolio held over 9,000 individual equities, while its bond portfolio held almost 4,000 individual bonds.

Rebalancing – The Headlands Group systematically rebalances to manage risk and capture incremental return from relative movements between markets.

Relative movement among investments offers incremental return that is lost if not captured. Fear and/or greed makes adding to depreciated positions and reducing appreciated ones difficult. A systematic process to trigger rebalancing is essential. The Headlands Group uses rebalancing ranges that are unique to each holding based on transaction cost, volatility, and size.

Valuation – The Headlands Group does valuation analysis to earn returns by tilting the portfolio towards undervalued markets and away from overvalued ones.

The "value" of an investment is its intrinsic worth. Investor psychology can drive market price well beyond value. Price/value discrepancies create opportunities for the disciplined, patient investor to earn additional returns. Delivering these returns requires tilting the portfolio towards undervalued markets and away from overvalued ones. Strategy changes are the outcome of significant relative valuation changes.

8b: Investment Strategies

Types of Investments

The Headlands Group portfolios include mutual funds, exchange-traded funds, closed-end funds, and a private fund. The Headlands Group believes all clients should at all times hold The Headlands Group's best equity portfolio and its best bond portfolio. The Headlands Group recommends clients not impose restrictions on their specific investments. In this way, The Headlands Group is fully accountable for performance. Each client's financial goals, income needs, and risk tolerance/capacity guide portfolio weights between equity and bond allocations. Closed-end funds and a private fund are not appropriate for all client portfolios.

For certain qualified clients, The Headlands Group, makes available its equity portfolio with an absolute return overlay through a private fund, the Sophia Global Equity Fund, L.P. ("Sophia Fund"), which is managed by KS Global Strategies, Inc. The Sophia Fund replicates The Headlands Group equity portfolio strategy at a reduced cost by aggregating trading and using futures in place of index exchange-traded funds and index mutual funds. The Sophia Fund also provides clients with exposure to a portfolio of absolute return managers, managed by KS Global Advisors, Inc. as an additional source of return.

The Sophia Global Equity Fund, L.P. ("Sophia Fund") is a registered Commodity Pool with the Commodities and Futures Trading Commission (CFTC)/National Futures Association (NFA). It is available in the form of limited partnership interests and offered through KS Global Strategies, Inc., its General Partner, Commodity Pool Operator, and Commodity Trading Advisor under the CFTC/NFA.

The Headlands Group receives no additional fees from clients due to their investment in the Sophia Fund and thus has no incentive to encourage them to invest in the Sophia Fund.

8c: Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. There is no assurance of near-term success. Each of The Headlands Group's investment approach components – diversification, rebalancing, and valuation – has risks associated with it.

The Headlands Group's investment strategy is based in part on the belief that **diversification** across global markets contributes to maintaining smoother equity returns. However, economies have shown a stronger interrelationship than previously believed. Certain events in the late 1990s demonstrated that individual country downturns may have a global impact. For example, currency devaluation by Asian governments and the dishonoring of debts by Russian banks produced instabilities worldwide, causing seemingly unrelated investments to move downward in tandem. For this reason, diversification may not necessarily allow The Headlands Group to manage risk to the extent previously thought.

The Headlands Group attempts to manage portfolio risk and improve portfolio return through **rebalancing**. Rebalancing involves reducing positions which have exceeded their targets while adding to those which are below their targets. This means The Headlands Group portfolio can underperform in the near term as it reduces holdings in winning investment positions which continue to win and increases holdings in losing positions which continue to lose.

The Headlands Group tries to identify price/value discrepancies among its investments, through **valuation**, and take profits as the markets return to their normal price patterns. The markets may experience a period of low volatility resulting in fewer opportunities for profitable investing. The analysis may prove unreliable in locating mispricing or in signaling the appropriate time to enter or exit a position. There is no assurance that valuation will be successful in identifying profitable investment opportunities or in preventing the occurrence of loss.

The Headlands Group offers certain qualified clients potential incremental returns through the Sophia Fund's investment with external absolute return managers. At times, financial market conditions are particularly challenging to absolute return managers and the managers are not able to contribute positive returns. This was the case in 2008. There is no assurance that absolute return managers will always add incremental return and in such circumstances their performance reduces return.

Kal Salama, Chief Investment Officer, is responsible for global investment research, analysis, policy and target strategy. He has been in this role since 1997.

The Headlands Group will use our best judgment and good faith efforts in rendering services to you. We cannot warrant or guarantee any particular level of account performance, or that the account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. You assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, we will not be liable to you for (a) any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by THG with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from our adherence to your instructions; or (c) any act or failure to act by a custodian of your account. Nothing in this document shall relieve us from any responsibility or liability we may have under state or federal statutes.

ITEM 9 – DISCIPLINARY INFORMATION

9a: Civil or Criminal Actions

The Headlands Group and its managers have never been found guilty, convicted or plead no contest to a criminal or civil action in a domestic, foreign or military court related to their professional conduct or that is material to the evaluation of THG or the integrity of THG management.

9b: Administrative Enforcement Proceedings

The Headlands Group and its managers have never been found by the SEC, any other state or federal agency or any foreign regulatory agency to have caused loss of the ability of an investment-related business to do business or been sanctioned, barred or limited in investment-related activities.

9c: Self-Regulatory Organization Enforcement Proceedings

The Headlands Group and its managers have never been found by a self-regulatory agency to have caused loss of the ability of an investment-related business to do business. Additionally, THG and its managers have never been found in violation of self-regulatory agencies rules such that they were barred, suspended, limited in advisory functions or fined.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

10a: Broker Dealers and Registered Representatives

The Headlands Group is not registered as a broker-dealer and our employees are not registered representatives of any broker-dealer.

10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

The Headlands Group does not hold any of the above registrations. The Headlands Group Chief Investment Officer, Kal Salama, is President of KS Global Strategies, Inc. a registered CPO and CTA. Please see ADV Part 2B.

10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither The Headlands Group nor our employees have any relationships or possible conflicts of interest as it relates to this advisory business.

10d: Selection of Other Advisors and How this Advisor is Compensated for those Selections

The Headlands Group does not select other advisors.

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

11a: Code of Ethics Description

The Headlands Group Code of Ethics is based on the principle that supervised persons, access persons, and administrative staff all owe a fiduciary duty to clients for whom The Headlands Group serves as advisor. This accepted standard of fiduciary duty is a core principle which protects both the client and the advisor by demanding full disclosure and prohibits activities that might interfere with making decisions in the best interest of clients.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including our obligations we owe to you.

The Headlands Group's written Code of Ethics encompasses all activities, transactions, and interactions undertaken by employees and addresses standards of conduct, protection of material nonpublic information, personal conduct, personal trading restrictions, reports and oversight of personal securities by employees of The Headlands Group, record keeping requirements, code of ethics violations, and sanctions.

The Headlands Group's Code of Ethics is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going monitoring of employee activity. A complete copy of our Code of Ethics will be supplied to you, free of charge, if you request it.

11b, c & d: Participation or Interest in Client Transactions

The Headlands Group, or its employees, may buy and sell some of the same securities for our own accounts that we buy and sell for our clients. We will always buy or sell from our clients' accounts before we buy or sell from our accounts. In some cases THG, or its employees, may buy or sell securities for our own accounts and not for clients' accounts, as it may not meet the objectives or plans for the client.

The Headlands Group will always maintain full disclosure with our clients so that you can make informed decisions. We will always evaluate our activity from the view of our clients to ensure that any and all required disclosures are made. For example, we will disclose anything that would cause you to be unfairly influenced to make any decision regarding actions or inactions in your account.

For California Residents: The Headlands Group adheres to the California Code of Regulations, Title 10 Section 260.238 (k), (1), (2) and (o) which prohibits investment advisers from:

(k) Failing to disclose to a client in writing before entering into or renewing an advisory agreement with that client any material conflict of interest relating to the adviser, its representatives or any requires that of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice including:

(1) Compensation arrangements connected with advisory services to clients which are in addition to compensation from such clients for such services; and

(2) Charging a client an advisory fee for rendering advice without disclosing that a commission for executing securities transactions pursuant to such advice will be received by the adviser, its representatives or its employees, or that such advisory fee is being reduced by the amount of the commission earned by the adviser, its representatives or employees for the sale of securities to the client.

(o) Making any untrue statement of a material fact or omitting a statement of material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading in the solicitation of advisory clients.

ITEM 12 – BROKERAGE PRACTICES

12a: Selecting Brokerage Firms

The Headlands Group recommends to clients a broker or custodian who will hold their assets and execute transactions on terms that are, overall, most advantageous when compared to the other available providers and their services. The Headlands Group considers a wide range of factors, including among others:

- Transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to efficiently execute, clear, and settle trades (buy and sell securities for client accounts)
- Capability to facilitate transfers and payments to and from client accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc.)
- Quality of services
- Competitive pricing of services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate prices

- Reputation, financial strength, and stability
- Prior service to The Headlands Group and its clients
- Availability of other services that benefit The Headlands Group and its clients

Soft Dollar Disclosure

The Headlands Group receives no “soft dollar” services (*i.e.*, research or other products or services received in connection with client brokerage) from the discount broker-dealer. Under no circumstances will The Headlands Group, or its principals or associated persons, derive a commission from the discount broker-dealer. The availability of research is not a factor in selecting the discount broker-dealer to be utilized.

The Headlands Group does not direct brokerage for research, client referrals or any “soft dollar” purpose. The Firm does not permit soft dollar arrangements under the safe harbor of Section 28(e) of the Security and Exchange Act of 1934, as amended.

ITEM 13 – REVIEW OF ACCOUNTS

13a: Periodic Reviews

Accounts are reviewed by Theresa O’Neill or qualified staff members. All reviews are either conducted or supervised by Theresa O’Neill. The frequency of reviews are as follows:

Financial Consulting Reviews

- Individual Financial Situation Review – Formally each year or upon material changes
- Asset Mix Appropriateness Review – Formally each year or upon material changes
- Income Needs Review – Formally each year or upon material changes

Portfolio Reviews

- Investment Strategy Review – Formally each month, informally weekly as market conditions change, and immediately upon significant market developments.
- Performance Review – Monthly
- Rebalancing Review – As alerted by rebalancing thresholds
- Portfolio Trade Reconciliation Review – Following each instance of trading

Financial planning clients receive their financial plans and recommendations at the time the service is completed. Depending on the type of financial planning service requested, we may meet on a regular basis with you to discuss any potential changes to your financial plan.

13b: Review Triggers

More frequent reviews are triggered by a change in your investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in economic climate.

13c: Regular Reports

All investment advisory clients receive quarterly reports on representative investments recommended specifically by The Headlands Group. Investment advisory clients also receive standard account

statements from the custodian of their accounts on a monthly basis. We encourage you to compare reports for accuracy.

Financial planning clients do not normally receive investment reports.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients

The Headlands Group does not receive economic benefits from third parties for the advice we render to our clients.

14b: Compensation to Non-Advisory Personnel for Client Referrals

The Headlands Group does not directly or indirectly compensate any person for client referrals.

ITEM 15 – CUSTODY

The Headlands Group does not maintain custody of client assets. Client assets are maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. The Headlands Group recommends that clients use Charles Schwab & Co., Inc. (“Schwab”). The Headlands Group is independently owned and operated and is not affiliated with Schwab. The qualified custodian holds client assets in a brokerage account and buys and sells securities upon The Headlands Group instructions.

The Headlands Group shall have no liability to the client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer. Custodial statements will include fees charged by THG. We strongly urge you to review the investment advisory fees contained in the custodial statement for accuracy.

ITEM 16 – INVESTMENT DISCRETION

The Headlands Group does not generally aggregate (or bunch) trades when executing transactions. Bunching is generally done in order to realize more effective trade execution and the cost efficiencies that come from executing larger order sizes. Therefore, fees associated with services may be higher or lower than may be available through other financial services providers. However, THG acknowledges our fiduciary responsibility to provide best execution as can reasonably be expected under the circumstances available. You are encouraged to discuss any questions that may arise regarding investment policies throughout the course of engagement with us.

The Headlands Group generally asks our clients to give us discretionary authority to execute transactions without our client’s prior approval. These transactions may include the purchase and

selling of securities, arranging for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account.

In certain circumstances, we will request non-discretionary authority over our clients' accounts. Non-discretionary authority requires us to obtain your prior approval of each specific transaction prior to executing investment recommendations.

ITEM 17 – VOTING CLIENT SECURITIES

As a courtesy to clients, The Headlands Group performs proxy voting on securities held in The Headlands Group-managed client accounts. The Headlands Group casts votes in accordance with the Proxy Voting Policy ("Policy") section of its Compliance Policy Manual unless directed otherwise by the client. The Policy states that the objective of voting client proxies is to enhance the value of the security or reduce potential for a decline in the security's value. The Policy also prescribes a procedure for handling potential conflicts of interest. Conflicts of interest and/or differences in voting preferences between The Headlands Group and clients are explicitly disclosed to, and discussed with, clients in advance.

The Headlands Group may not be able to vote proxies in cases where proxy voting materials are not delivered in sufficient time for an appropriate evaluation and voting.

A client may obtain a copy of the Proxy Voting Policy and a description of how The Headlands Group voted on specific securities in the client's account upon request.

ITEM 18 – FINANCIAL INFORMATION

18a: Balance Sheet

The Headlands Group does not solicit prepayment of more than \$500 in fees per client six (6) months in advance and is not required to submit a balance sheet.

18b: Financial Conditions

The Headlands Group has no financial issues that could impair our ability to carry out our fiduciary duty to our clients.

18c: Bankruptcy Petition

The Headlands Group has never been the subject of a bankruptcy petition within the last ten (10) years.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS

19a. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

The Headlands Group's executive officers are Theresa O'Neill and Kal Salama. Their education and business background information can be found on the individuals' supplemental ADV Part 2 B brochures.

19b. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those

All Investment Advisor Representatives' other business activities can be found on the supplemental ADV Part 2 B brochures.

19c. How Performance Based Fees are Calculated and Degree of Risk to Clients

As stated above, The Headlands Group does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

19d. Material Disciplinary Disclosures for Management Persons of this Firm

Other than disclosures made in Item 9 above, neither The Headlands Group nor our employees have been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding.

19e. Material Relationships Management Persons Have With Issuers of Securities

Neither The Headlands Group nor our employees have any relevant material relationships with issuers of securities.