

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

### Institutional Clients

#### Hartland & Co.

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This brochure provides information about the qualifications and business practices of Hartland & Co.. If you have any questions about the contents of this brochure, please contact us at 216-621-1090 or [wolken@hartlandco.com](mailto:wolken@hartlandco.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Hartland & Co. 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 105674.

## *Item 2     Material Changes*

Effective 10/1/2011, Hartland & Co. (Hartland) acquired Chess Financial Corporation (Chess), as a wholly-owned subsidiary.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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#### ***Item 4     Advisory Business***

Hartland & Co. is a SEC-registered investment adviser with its principal place of business located in Cleveland, Ohio. [SEC registration does not imply a certain level of skill or training.]

The company is an independent investment advisory firm founded in 1989. Hartland & Co. is owned and managed by its professionals and board of directors. Thomas J. Hartland, the firm's Chief Executive Officer, is a principal shareholder controlling more than 25% of the company.

The firm is structurally and philosophically independent; makes every effort to be free from conflicts of interest and is dedicated to serving client interests with the highest standards of professional conduct. Hartland & Co. believes this independence is central to providing objective and high quality advice to its clients. To back up its commitment to independence, the firm has adopted a Conflict of Interest Policy, requires its professionals to comply with the CFA Institute Standards of Professional Conduct and has attained certification by the Centre for Fiduciary Excellence (CEFEX).

Hartland & Co. has worked successfully for many years with diverse clients, providing advice on investment policy, asset allocation, manager selection and other related financial issues. Its consultants have deep professional and personal experience in institutional consulting, investment research and wealth management. The firm's board of directors is comprised of accomplished individuals in a number of professions, including private equity, banking, law, marketing and finance.

Hartland & Co. serves its clients with a proprietary reporting system that helps ensure timely and accurate information. The firm's membership in the Independent Consultants Cooperative (ICC) helps provide robust portfolio analysis and peer group benchmarking for Hartland & Co. clients. Hartland & Co. believes that the disciplines it has developed for the institutional marketplace - portfolio analytics, manager research, aggregation of information and clear reporting - are applicable and valuable to families and individuals as well.

#### **INVESTMENT CONSULTING SERVICES**

The primary clients for these services will be institutions - pension, profit sharing and 401(k) plans, endowments, foundations and healthcare organizations - as well as private clients; individuals, trusts and estates.

This Part 2A of Form ADV describes services provided to institutional clients primarily. A separate Part 2A of Form ADV describes services provided to private clients.

#### ***Services Provided***

First, Hartland & Co. assists in the development, implementation and monitoring of Investment Policy Statements (IPS) for all clients. An IPS is a set of standards that prescribes how client assets will be invested, monitored and measured. These standards begin with articulation of investment objectives; what a client expects to achieve with its assets. Investment policy also establishes guidelines for the way funds are to be invested in various asset classes and how performance will be measured and compared. In working with clients on investment policy, Hartland & Co. addresses

client time horizons, spending needs, ability to accept volatility and personal or cultural considerations. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing plan under which these goals are to be achieved.

Second, we assist clients in constructing appropriate asset allocation models. The IPS lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance. The number of investments to be recommended will be determined by the client, based on the IPS.

Third, Hartland & Co. monitors client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate. We create clear and accurate periodic reports, including Monthly "Flash" Reports, Quarterly Performance Reports and Special Reports on topics relevant to the client.

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide educational support for plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

When retained by a private client, Hartland & Co. will, as needed, manage portfolios directly, though generally as part of a larger investment advisory relationship, while moving toward outside management by a third party. Information on services provided to private clients is available through a separate Part 2A of Form ADV: Firm Brochure. Please contact us at 216-621-1090 or [sterrett@hartlandco.com](mailto:sterrett@hartlandco.com) if you would like a copy of that Form ADV brochure.

### **Other Business Activities**

From time to time Hartland & Co. may be retained on special projects. These may be searches for custodians or 401(k) providers or projects relating to client investment funds. In all case, the only source of Hartland & Co.'s revenue is from client fees. Hartland & Co. does not provide brokerage, accounting or custodial services, nor is it affiliated with any brokerage firm, accounting firm, bank or third-party provider of investment-related services. Hartland & Co. does not receive fees of any kind from any vendor or third party.

### **AMOUNT OF ASSETS UNDER ADVISEMENT**

As of 1/1/2011, total assets under advisement were \$9.320 billion. Total assets managed on a discretionary basis were \$374,523,396 at that same time period.

## ***Item 5 Fees and Compensation***

Most clients are billed on assets under advisement, though the firm has some retainer clients, as well. Hartland & Co.'s standard fee schedule for institutional clients is below:

Annually on the first \$25 million	0.25% (1/4 of 1%)
On the next \$25 million	0.20% (1/5 of 1%)
On the next \$50 million	0.15% (15/100 of 1%)
Above \$100 million	0.10% (1/10 of 1%)
Minimum annual fee	\$50,000

***Limited Negotiability of Advisory Fees:*** Although Hartland & Co. has established the aforementioned fee schedule, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under advisement, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client. All fees are agreed upon prior to entering into a contract with any client.

Fees are calculated and billed quarterly in advance at the beginning of each calendar quarter.

### **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 90 days written notice.

***Mutual Fund Fees:*** All fees paid to Hartland & Co. 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. 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 funds 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.

***Separately Managed Account Fees and Wrap Fee Programs:*** Clients participating in separately managed account 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 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. We will review with clients any separate program fees that may be charged to clients.

***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.

***ERISA Accounts:*** Hartland & Co. 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, Hartland & Co.'s only source of fees is from client retainers. Hartland & Co. does not receive fees of any kind from any vendor or third party.

***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 \$1200 more than six months in advance of services rendered.

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

Hartland & Co. does not charge performance-based fees.

## ***Item 7 Types of Clients***

Hartland & Co. provides advisory services to the following types of clients:

- Corporate and Public Employee retirement funds (Pension and Savings plans)
- Endowments and Foundations
- Operating funds for healthcare organizations
- Private clients (families, individuals and related entities)

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

### **Investment Philosophy**

*Our investment philosophy sets forth what we believe to be true to every client.*

Hartland & Co. seeks to meet its clients' investment objectives in real terms - after inflation and fees - with emphasis on assessing and controlling risk. Once this has been achieved, we seek superior returns relative to client-specific and market-based benchmarks.

We believe broad diversification reduces portfolio volatility and enhances the opportunity for superior risk-adjusted returns. Broad diversification comes from allocating investments among various asset classes - fixed income, equity and alternative - and is a larger determinant of expected returns than individual security selection. Asset allocation can be enhanced by the prudent use of passive and the skillful use of active strategies of marketable and alternative assets.

We believe integrating the investment process with client priorities - time horizon, spending needs, legal constraints, beliefs and culture - is essential to achieving optimal returns.

Hartland & Co. is an independent firm and objective in its process to select strategies for marketable and alternative assets. The firm has never has, does not and will not share compensation with any investment manager or third party of any kind; complete independence being central to our effectiveness.

### **Optimal Long-Term Strategic Asset Allocation**

*Our Strategic Asset Allocation process results in what we call the "Hartland Research Portfolio." The HRP reflects our best thinking for a portfolio with no constraints - the best mix of large and small capitalization equities, international equities, alternative strategies and fixed income. The HRP serves as a guide to help determine the best allocation for a client's portfolio.*

The Hartland Research Portfolio is developed with two basic inputs. One is quantitative; based on the Black-Litterman model and one is qualitative; based on the input of the professionals on our Investment Research Committee.

The Hartland & Co. research team begins with the Black-Litterman model, a mathematical model that seeks asset allocations that are optimal; that produce the best results with the lowest level of volatility or risk. Black-Litterman is more dynamic than other models and builds on traditional mean-variance techniques to create stable and consistent return forecasts for a set of asset classes.

The Hartland & Co. research team presents the output of its work with Black-Litterman each week to the Investment Research Committee. The IRC is comprised of six senior professionals. These professionals assess the quantitative output from Black-Litterman and integrate it with their own fundamental or qualitative judgments. The result is the Hartland Research Portfolio, which combines quantitative and qualitative inputs.



## Client Investment Policy

*The next step is to filter the Hartland Research Portfolio through the investment policy of the client allowing for alterations to address the client's specific circumstances.*

These could be cash flow and liquidity requirements, ability to accept volatility, legal constraints or the client's philosophical preferences. Whatever the specific needs of our clients, we believe it is essential that we first establish our best thinking and then apply it individually to clients.

## Tactical Asset Allocation

*We will make tactical adjustments to asset allocation within ranges prescribed by the investment policy.*

We will make tactical, or incremental, adjustments to asset allocations within the ranges prescribed by investment policy. Our tactical asset allocation process, like our strategic process, is based on quantitative and qualitative inputs.

The balance between fixed income and equity securities is guided by a proprietary, quantitative modeling technique we call SIM (Signal Indicator Model). SIM is a four factor model that is designed to gauge the state of the markets based on the economic cycle, sentiment, risk appetite and valuation. When SIM is negative, for example, the IRC may recommend that Consultants reduce equity ratios within prescribed ranges in client portfolios; when positive, that Consultants increase equity ratios within prescribed ranges.

The output of SIM, like the output of Black-Litterman, is reviewed by the Investment Research Committee. IRC members use SIM as a tool to guide decisions on overall asset allocation, in addition to relative weights between different asset classes.

## Separation of Beta and Alpha Assets

Hartland & Co. strives to separate "beta" and "alpha" assets in building client portfolios. In efficient asset classes, the firm invests in "beta" vehicles - passive index funds - as a core tactic. The intent is to capture the expected historic returns to the asset class instead of seeking superior returns. From time to time Hartland & Co. complements a core passive tactic with specialty managers; managers that have concentrated or focused strategies.

In less-efficient asset classes, the firm seeks to find managers that can add "alpha", or superior returns to respective indices. These asset classes include developed and emerging market international, US small capitalization and alternative asset classes. For clients that find separately managed portfolios too expensive or inaccessible given higher investment minimums, we recommend institutional share classes of mutual funds.

## Investment Manager and Mutual Fund Research

Hartland & Co. continuously researches investment managers in a broad array of investment

categories. Over the years the firm has analyzed hundreds of investment management organizations for billions of dollars in client assets.

We scrutinize the size of investment management organizations, as well as the nature of institutions that have retained them. We typically do not want a client to represent more than 10% of their total assets under a single firm's management.

We analyze ownership structure, experience and expertise of investment decision-makers and obtain an understanding of their investment philosophy and methodology. We consider turnover and compensation of investment decision-makers. We believe a well-incented and stable investment decision-making team is best suited for delivering consistent quality performance and client service.

Once prospective firms have passed the first two stages of analysis, we look at performance of investment products. We are interested in identifying products that produce consistent performance records over time. We analyze returns data over multiple time periods net-of-fees and with different ending dates to eliminate "end-point bias."

Returns-based style analysis is conducted on each investment product. Style analysis assists us in determining consistency for each product and allows us to evaluate the impact the product might have on the existing client portfolio. During this step in the process, we also conduct correlation analyses to determine if a product adds diversification benefits.

The Hartland & Co. research group generally meets over 300 investment managers each year. In addition, our Consultants frequently communicate with investment managers directly. We believe this serves our clients well, as Consultants are current on manager searches.

Below are characteristics analyzed while evaluating investment management firms:

#### **Organizational Attributes**

- Employee ownership
- Specialized in asset class or style
- Strong leadership
- Depth and experience
- Sound business plan
- Competitive compensation program
- Appropriate size
- No pending legal issues or judgments

#### **Statistical Attributes**

- Consistency of performance
- Information ratio
- Alpha
- Excess returns
- Volatility
- Peer group evaluation
- Attribution analysis
- Correlation with existing managers

**Portfolio Attributes**

Stock-selection process

Risk-controls

Reasonably diversified

Consistently applied set of metrics or factors

**Investment Methodology Attributes**

Consistent

Clearly articulated

Soundness of process

Well-defined models

Tested in "real world"

**Main Sources of Information**

Sources of information include database information on investment management organizations, investment vehicles and individual securities. Hartland & Co. has developed a proprietary investment manager tracking database using SQL and Visual Basic. Qualitative and quantitative information on investment managers comes from Hartland & Co. research analysts. Content is also provided from outside data providers. The external data providers include Morningstar, eVestment Alliance, and Bloomberg.

In addition, Hartland & Co. is a member of the Independent Consultants Cooperative (ICC). The ICC is a group of prominent independent investment advisors that share information anonymously. ICC membership provides Hartland & Co. with a large database that can be used to analyze and compare portfolios with peer institutions. The ICC database is one of the most robust in the industry.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

***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***

As of 10/1/2011, Hartland acquired Chess, as a wholly-owned subsidiary. As parent company, Hartland has control over Chess; however, Chess continues to service its clients (private) as it has in the past. There was no advisory overlap as of the date of the merger; however, the intent of the merger is to leverage the investment rigor of Hartland with the comprehensive financial and tax planning capabilities of Chess, across both firms.

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

### ***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.

Hartland & Co. 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 all employees and members of the firm's board of directors.

Hartland & Co.'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 clients and prospective clients. You may request a copy by email sent to [sterrett@hartlandco.com](mailto:sterrett@hartlandco.com), or by calling us at 216-621-1090.

### ***Item 12 Brokerage Practices***

Hartland & Co. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

### ***Item 13 Review of Accounts***

Hartland & Co. clients are served by a team of at least three professionals: A Senior Consultant, an Associate Consultant and a Performance Analyst. This team is responsible for reviewing client accounts and verifying their accuracy. There are two levels of account review: Quarterly Audits and On-going Investment Manager Reviews. the team of professionals involved in these reviews include:

- Thomas J. Hartland, Chief Executive Officer
- David C. Fulton, Jr., CFA, President
- Gregory P. Althans, CPA/PFS, CFP, Sr. Consultant
- Brian K. Hrabak, CFA, Sr. Consultant
- John K. Morgan, Sr. Consultant
- Satrica A. Rice, JD, CFA, CIMA, Sr. Consultant
- Michael P. Shebak, Sr. Consultant
- Carl J. Tippit, CFA, Sr. Consultant
- Adam J. Blake, Associate Consultant
- Sarah E. Woitek, Associate Consultant

## Quarterly Audits

### *Investment Performance Verification*

Performance Analysts reconcile returns every quarter (and more often, as required). Investment performance is analyzed both net of fees and before-fees. The first step is to verify the investment performance reported by investment managers and mutual funds. Investment returns reported by mutual funds must fall within 5 basis points (0.05%) of the returns calculated by Performance Analysts; returns for separately managed account within 10 basis points (0.10%). If there is a difference, Performance Analysts determine which market value is incorrect. If the difference is due to different pricing sources - often the case with non-equity securities - Performance Analysts alert the Consultant and a decision will be made as to which source is more accurate. Performance Analysts then document the adjustment for future reference. The majority of conflicting returns are caused by differences in the way assets are valued and cash flows greater than 10% of the account value.

The second step is to subject performance calculations to further checks. Performance Analysts calculate a weighted average return for the total portfolio and each of the components of the total portfolio; fixed income, domestic equity, international equity, alternative strategies and the like. The total portfolio and each of its components are comprised of individual managers and individual investment vehicles. Performance Analysts verify that the weighted average return for the total portfolio and each component lie within the range of performance of the individual managers and vehicles. This check is performed monthly by Performance Analysts.

When composite returns fall outside the range of component accounts, it is due to either a pricing or mathematical error. If a pricing error exists, Performance Analysts research and correct the problem. If it is a mathematical error, an exception report is completed that details the math behind the occurrence. Exception reports are reviewed by other Performance Analysts and discussed with the Consultant.

### *Investment Policy Compliance*

Most Quarterly Performance Report contains a Policy Compliance Page that measures how the overall fund and individual investment managers are adhering to guidelines in the Investment Policy. All Policy Compliance Pages are checked quarterly and compared to the Investment Policy.

### *Follow Up on Action Items*

Within 48 hours of a client meeting, Consultants document issues and action items using a standard "Meeting Recap" template. Each action item is assigned to an appropriate Performance Analyst or team member. Each quarter, Performance Analysts monitor action items and confirm that they have been executed.

## On-Going Review of Investment Managers

Once an investment manager is retained, performance evaluation becomes part of our standard quarterly performance analysis process. All investment managers are evaluated against appropriate benchmarks as well as "decile-ranked" against an overall asset class universe.

We monitor our clients' fixed income and public market equity managers monthly and quarterly. We receive trustee statements monthly, which are entered into our proprietary database. This allows us to identify before quarter-end any abrupt intra-quarter changes that have taken place within a portfolio. We utilize customized software to monitor style drift and statistical portfolio changes.

Additionally, we speak frequently with managers' compliance departments, portfolio analysts and portfolio managers. Our compliance monitoring process is continuous and thorough and is essential to avoiding surprises.

### **Setting Guidelines for Investment Managers**

We have extensive experience establishing sound and effective guidelines for investment managers. It is important to establish these guidelines in the investment policy statement and in investment manager agreements. We provide valuable experience and insight on the language in these documents.

We often recommend adding language to an investment policy specifically related to issues of diversification, liquidity, market capitalization, discretionary authority, reporting, bond ratings and communication, among others. Setting these guidelines within investment policy helps us objectively monitor and review investment managers.

### **Replacing Investment Managers**

There are four reasons we would recommend replacing an investment: 1) When our investment thesis is no longer valid; 2) When we have made a mistake; 3) When the investment has exceeded expectations and future outperformance is in question; and 4) When there is an organization change or personnel change

### **Regular Reports to Clients**

Hartland & Co. has two formal periodic reports: *Monthly Flash Reports* and *Quarterly Performance Reports*. In addition, the firm has several types of *special reports*, covering special topics or client-specific issues.

Below is a list of the attributes of Monthly Flash Reports and Quarterly Performance Reports.

#### **Report: Flash Report**

Delivery: Monthly

Review: Consultant can review with client

Report Contents: Manager and Total Fund Balances, Manager and Total Fund Returns, Applicable Index Returns

#### **Report: Quarterly Performance Report**

Delivery: Quarterly - available 20-25 business days after quarter end

Review: Consultants review in-person with the Investment Committee and often in preparatory meeting with staff

Report Contents: Economic & Capital Market Review, Index Returns, Executive Plan Summary, Asset Allocation Summary, Asset Allocation History, Investment Policy Compliance, Attribution of Investment Returns, Schedule of Assets, Performance Report Card, Review of Manager characteristics

Monthly flash reports are available within 10-15 business days of month-end. Quarterly reports are available 20-25 business days after quarter-end, depending on investment strategies and special requests.

Account information is downloaded from custodians into Genesis, our proprietary database. Genesis calculates investment performance, which is reconciled by Performance Analysts to custodial statements and the investment performance reported by investment managers.

Performance calculation methods are consistent with performance reporting standards established by the CFA Institute.

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

It is Hartland & Co.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Hartland & Co.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

#### ***Item 15 Custody***

Hartland is not a qualified custodian and does not maintain custody of client funds and securities. However, Hartland is deemed to have custody of its private client's accounts due to its ability to directly access client accounts to execute non-discretionary trades approved by clients and to access account information necessary to facilitate its comprehensive wealth management and other services offered to clients. In order to satisfy the SEC custody rule we submit ourselves to an annual surprise asset verification examination by an independent public accounting firm.

Clients are sent account statements on a quarterly or on a more frequent basis directly from their custodians. In addition, investment clients of Hartland receive quarterly, semi-annual or annual consolidated investment reports, depending on a client's service agreement. We encourage clients to carefully review and compare both sets of statements.

#### ***Item 16 Investment Discretion - Private Client Relationships***

Private clients may hire us to provide discretionary asset management services, in which case we place trades in a private client's account without contacting the client prior to each trade to obtain the client's permission. Private clients give us discretionary authority when they sign a discretionary agreement with our firm. A separate Part 2A of Form ADV describes our services for private clients.

### ***Item 17    Voting Client Securities***

As a matter of policy, we do not vote proxies on behalf of our institutional clients. Clients are responsible for arranging proxy voting with each investment manager or custodian of their investment assets.

### ***Item 18    Financial Information***

As an advisory firm that maintains discretionary authority for private client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Hartland & Co. has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

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