

---

**Item 1 - Cover Page**

# Wrap Fee Brochure

Appendix 1 of Form ADV Part 2A

Wiley Bros. – Aintree Capital, LLC

40 Burton Hills Blvd Ste 350

Nashville, TN 37215

615-255-6431

<http://www.wileybros.com>

<http://www.aintreecap.com>

March 30, 2012

This Wrap Fee Brochure (Brochure) provides information about the qualifications and business practices of Wiley Bros. – Aintree Capital, LLC [Wiley, us, we or our]. If you have any questions about the contents of this Brochure, please contact us at 615-255-6431. 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.

Wiley is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by Wiley, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain Wiley as your adviser. 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 Wiley also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with, registered, and required to be registered, as investment adviser representatives of Wiley.

---

## Item 2 - Material Changes

Please note that there were no “material changes” made to this Brochure as of March 30, 2012, and since our last delivery or posting of the Brochure on the SEC’s public disclosure website (IAPD) [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov), are set forth below. However, this Brochure does include a number of minor editorial changes and the updated information on our assets under management.

Currently, our Brochure may be requested by contacting Carri Sanford at 615-255-6431. Our Brochure is also available on our web site: <http://www.wileybros.com> or <http://www.aintreecap.com>, free of charge.

---

## Item 3 – Table of Contents

Item 1 - Cover Page.....	i
Item 2 - Material Changes.....	ii
Item 3 – Table of Contents.....	iii
Item 3 – Table of Contents.....	iii
Item 4 - Services, Fees and Compensation .....	1
Ownership.....	1
Assets Under Management .....	1
Investment Products.....	1
Services and Programs.....	1
Discretionary Wrap Program .....	1
Non-Discretionary Wrap Program .....	3
Managed Account Command Program (Command/Lockwood).....	3
Performance Manager Program .....	5
Third Party Manager-Wrap Program .....	6
Sub-Advisor Program .....	7
General Program Disclosure .....	9
Item 5 - Account Requirements and Types of Clients.....	9
Account Requirements .....	9
Types of Clients .....	10
Item 6 - Portfolio Manager Selection and Evaluation.....	10
Portfolio Manager Selection .....	10
Third Party Portfolio Manager Selection .....	10
Client Matching.....	11
Performance Review .....	11
Related Person Portfolio Management .....	11
Performance-Based Fees and Side-By-Side Management.....	11

---

Overview .....	11
Performance Fees .....	12
Performance Manager Program Fees .....	12
Conflicts of Interests .....	12
Methods of Analysis, Investment Strategies and Risk of Loss .....	13
Analysis Methods .....	13
Sources of Information .....	13
Investment Strategies: .....	13
Investment Strategy Risks .....	14
Item 7 - Client Information Provided to Portfolio Managers.....	16
Item 8 - Client Contact with Portfolio Managers .....	16
Item 9 - Additional Information .....	17
Disciplinary.....	17
Other Financial Industry Activities and Affiliations.....	17
Insurance.....	17
Broker Dealer .....	17
Green Hill Partners.....	17
NTC Access Fund, L.P. ....	18
TSF Fund, L.P. ....	18
S.A.C. Multi-Strategy Fund, L.P. ....	18
Other Activities .....	18
Code of Ethics .....	19
Review of Accounts.....	19
Client Referrals and Other Compensation.....	19
Solicitor Activities.....	19
Other Compensation.....	21
Custody .....	22

---

Voting Client Securities ..... 22

Financial Information ..... 23

---

## **Item 4 - Services, Fees and Compensation**

### **Ownership**

The principal beneficial owners of Wiley are David Patterson Jr. and David Wiley, III. Wiley has been in the financial service industry since 1945 through successor companies, and has been registered with the SEC since 1990.

### **Assets Under Management**

Wiley manages \$84,585,080 in client assets on a discretionary basis and \$170,521,546 on a non-discretionary basis. The date on which these amounts were calculated was on the December 31, 2011 being within 90 days of the date of this current amendment.

### **Investment Products**

Wiley will recommend various investments to clients based upon a review of each client's investment needs. These investments will primarily consist of:

- Equity securities (exchange-listed, over the counter, foreign issuers)
- Warrants
- Corporate debt securities
- Commercial paper
- Certificates of deposits
- Municipal securities
- Investment Company Securities (variable life insurance, variable annuities, mutual fund shares)
- United States government securities
- Option contracts on securities
- Interests in partnerships investing in real estate, oil and gas and others

Wiley may occasionally offer investment advice relating to interests in limited partnerships raising money for acquisition of small local companies.

To the extent mutual funds are selected to fill components of the overall investment strategy, the advisory fee and performance fee does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses.

### **Services and Programs**

#### ***Discretionary Wrap Program***

Wiley provides discretionary investment advisory services to some of its clients through a managed account program (“Discretionary Wrap Program”). Through the Discretionary Wrap Program, Wiley manages the investment and reinvestment of the clients’ portfolio assets on a

---

discretionary basis and provides such investment advisory services and brokerage services on a “wrap” fee basis.

### **Information About Fees**

Wiley and the IAR generally assess advisory clients a negotiable fee, with an annual cap of 3.0% of assets under management. Fees are computed and payable in advance on a quarterly basis; however, based upon the client's request, Wiley may compute and assess the fee monthly or annually. Fees for advisory accounts are either charged to the client's account or billed to and paid directly by the client.

The annual “wrap” fee is exclusive of transaction costs and other direct out-of-pocket costs incurred by Aintree because of it providing the services contemplated under this Agreement.

With regard to employee and/or employee related accounts and certain other accounts, the quarterly fees may be less, depending upon a number of factors, including portfolio size, length of employment and relationship to the employee.

### **General Information**

In addition to the annual advisory fee, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses for which Client will bear a proportionate share. Other fees associated with conducting a brokerage business may also be charged.

Wiley may execute all trades on behalf of client’s advisory account unless client specifically directs Wiley in writing to the contrary; notwithstanding that, Wiley may use any other broker-dealer for trade execution.

Wiley does not engage in agency or principal cross transactions; however, Wiley obtains consent for such transactions. Client may revoke this consent to agency or principal cross transactions at any time. Additionally, to the extent Wiley act as a principal and engages in a principal cross transaction, Wiley will obtain the Client’s permission for such transactions prior to the execution of such transactions.

### **Discretionary Accounts**

With discretionary accounts, when a client requests or instructs Wiley to direct a portion of the securities transactions for its account to a specified broker-dealer, Wiley will treat the client’s direction as a decision by the client to retain, to the extent of the direction, the discretion that Wiley would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions generally for the client’s account. Although Wiley will attempt to effect such transactions in a manner consistent with its policy of seeking best execution and price on each transaction, there may be occasions where it is unable to do so, in which case Wiley will continue to comply with the client’s instructions on the foregoing basis. The client, therefore, should consider whether, under its direction, commissions, execution, clearance and settlement

---

capabilities, and fees for custodial and other services provided the client by the broker-dealer (if applicable) will be comparable to those otherwise obtainable. A client making such a designation also should understand that it might lose the possible advantage that non-designating clients derive from aggregation of orders for several clients as a single transaction for the purchase or sale of a particular security.

### ***Non-Discretionary Wrap Program***

Wiley provides non-discretionary investment advisory services to some of its clients through a managed account program (“Non-Discretionary Wrap Program”). Through the Non-Discretionary Wrap Program, Wiley manages the investment and reinvestment of the clients’ portfolio assets on a non-discretionary basis, and provides such investment advisory services and brokerage services on a “wrap” fee basis. Wiley will obtain a client profile from each client in order to determine how to advise clients on the assets in the account.

### **Information About Fees**

Wiley and the IAR are compensated through an annual fee of 1.0% per annum (not to exceed 3.0% per annum) of the net asset value of the account that will be paid quarterly in advance. Fees for advisory accounts are either charged to the client's account or billed to and paid directly by the client.

The advisory fee includes all fees and charges for the services, of Wiley as well as all applicable brokerage charges; but is exclusive of transaction charges and costs, postage and handling charges and direct out-of-pocket costs incurred by Advisor as a result of providing services and separate third party charges for the Account, including transfer fees and certain transaction and settlement costs incurred by the Wiley for its clients; or separate fees, costs and expenses resulting from the agreement(s) executed between the client and the custodian.

### **General Information**

In addition to the annual advisory fee, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses for which Client will bear a proportionate share. Other fees associated with conducting a brokerage business may also be charged.

### ***Managed Account Command Program (Command/Lockwood)***

Wiley provides discretionary investment advisory services to some of its clients through a managed account program (“Wrap-Fee Arrangements”) referred to as the Managed Account Command Program. Wiley will assist client in determining the suitability of the Program for the client. The IAR is compensated through a comprehensive single fee and the account may be assessed other charges associated with conducting a brokerage business. (i.e., all-inclusive fee covers costs of commissions, research, etc.). Wiley will select any investment management firms participating in the Program that the Wiley determines are most appropriate to provide investment management services to clients in the Wiley’s Lockwood program.



---

### **Information About Fees**

Wiley generally assesses advisory clients a negotiable annual fee, with a cap of 3.0% of assets under management, paid in advance on a quarterly basis. Wiley will, based upon the client's request, compute and bill the annual fee on either a monthly or an annual basis. Fees for advisory accounts are to be either charged to the client's advisory account or billed to and paid directly by the client. Fees are negotiable at the discretion of the IAR generally, which may result in different fees being charged for accounts similar in makeup and objectives. Consideration may also be given to other accounts related to, or affiliated with the client, which may result in lower fees being charged for accounts similar in makeup and objectives.

Additionally, the advisory fee does not include certain costs or charges associated with securities transactions with or through a broker-dealer other than Wiley, including brokerage commissions and dealer mark-ups or mark-downs in principal transactions or odd-lot differentials, stock exchange fees and other direct out-of-pocket costs incurred by Wiley as a result of it providing the services contemplated under this Agreement. Transfer taxes or other charges mandated by law will be separately charged to the client's account.

### **General Information**

Generally, Wiley's investment advisory contracts do not provide for any fixed termination date, but may be terminated at any time by mutual consent or by any party thereto upon the giving of the required advance notice, generally thirty (30) days. Wiley shall refund any unearned, prepaid advisory fees for any period following the Termination Date.

Occasionally, trades are done with brokers who are selected based on research products or services. These may be used for the benefit of all clients and are not necessarily used exclusively by the account for which the transaction was made. The types of products and services include written and oral reports concerning current or prospective portfolio holdings, economic interpretations, and portfolio strategy. Wiley may compensate brokerage firms which supply computer generated data of its own or that of a third party. Such information is available to assist in the management of all of Wiley's clients whether or not any commissions are available for use in this matter.

To the extent mutual funds are selected by to fill components of the overall investment strategy, the annual advisory fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses. Client is advised that, in addition to the annual advisory fee set forth above, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses for which Client will bear a proportionate share.

To the extent that Wiley effects transactions in exchange listed securities for institutional client accounts, such transactions will be conducted in conformity with the requirements of Section 11(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule

---

11(a)2-2(T) thereunder. Transactions in any securities effected through Wiley for the accounts of clients that are employee benefits plans subject to Employee Retirement Income Security Act of 1974, as ("ERISA") will be completed in compliance with Exemption 86-128 of ERISA. The foregoing regulatory requirements generally provide, among other things, that advance written authorization be obtained from each client with respect to the utilization of Wiley as a broker/dealer to effect transactions for its account and that periodic reports of such transactions be furnished to its clients.

### ***Performance Manager Program***

Wiley is the sponsor of an investment management program called the Performance Manager Program ("Performance Manager Program") in which Wiley assists the client in determining the suitability of the program for the client, and to then select an investment management firms offered by the Performance Manager Program that Wiley determines are most appropriate to provide investment management services to clients in the Wiley's wrap fee program or to designate its own proprietary portfolio management options.

### **Minimum Account Balance**

Clients accounts have a minimum account balance requirement (cash and securities) of no less than \$750,000.00, unless the sub-advisor agrees to accept a client's managed assets with a lesser value. In such cases, Wiley will require evidence that the client(s) has a net worth in excess of \$1,500,000; and or is a "qualified purchaser" under Section 2(2)(51)(A) of the Investment Company Act of 1940.

### **Information About Fees**

Wiley will generally assess advisory clients a negotiable fee that may consist of: (1) an advisory fee, based on a specified percentage of the client's assets under management; and sub advisor may assess a second component consisting of (2) performance fees, based on the performance of each sub-advisor selected by a client relative to the stated benchmark index. Wiley will also be entitled to reimbursement from client for all costs and expenses (including taxes) incurred by Wiley because of providing its investment advisory services to clients.

*Advisory Fee.* The client shall pay an advisory fee based on a percentage of assets, with a cap of 3.0% of assets under management annually, paid in advance or arrears on a quarterly basis. Other fees associated with conducting a brokerage business may also be charged. The average amount of assets in the Client Account each quarter shall be based on the value of the assets on the last trading day of each month during the quarter. Fees are negotiable at the discretion of the IAR generally, which may result in different fees being charged for accounts similar in makeup and objectives.

*Performance Fee.* In addition, the client shall pay a performance fee equal to 20% of the net excess appreciation on the securities in the account over and above the Index and net of all fees, commissions and the advisory fee. If the client's securities underperform the Index, Wiley will not collect a performance fee until the cumulative net excess

---

appreciation on the securities in the account exceeds the Index cumulative returns from the effective date of the agreement. If the account is terminated during a period of underperformance, Wiley will not be required to refund any portion of the performance fee already paid by the client.

### **General Information**

The investment advisory contract has an initial term of one year and will be automatically renewed for an unlimited number of one-year terms. Either party may terminate at any time by giving 30 days prior written notice. Wiley shall refund any unearned, prepaid advisory fees for any period following the Termination Date.

Additionally, other fees associated with conducting a brokerage business may also be charged the client, including certain costs or charges associated with securities transactions with or through a broker-dealer other than Wiley, including brokerage commissions and dealer mark-ups or mark-downs in principal transactions or odd-lot differentials, stock exchange fees and other direct out-of-pocket costs incurred by Wiley as a result of it providing the services contemplated under this Agreement. Transfer taxes or other charges mandated by law will be separately charged to the client's account.

### ***Third Party Manager-Wrap Program***

The Third Party Manager Wrap Program is no longer offered, but Wiley has a limited number of clients still participating. The program was originally intended to allow access to Woodmont Investment Counsel, LLC ("Woodmont"), an investment adviser who is registered with the Securities and Exchange Commission. While not a requirement of participating as an investment advisor for clients of Wiley, Woodmont may have other advisory clients who custody assets thorough Wiley with the Custodian, and as a result of such relationship, Wiley may receive commissions from transactions executed in such accounts.

For additional information on Woodmont, you are referred to the Woodmont wrap brochure (Form ADV Part 2 Supplement – Wrap Brochure) for a complete discussion and disclosure regarding its programs and fees.

### **General Information**

The fees may include ticketing and certain costs or charges associated with securities transactions with or through a broker-dealer other than Wiley. Such costs or charges generally include brokerage commissions and dealer mark-ups or mark-downs in principal transactions, or odd-lot differentials, stock exchange fees, transfer taxes or other charges mandated by law, which will be separately charged to the client's account.

The clients' investment objectives may be initially determined based on financial information furnished by the clients together with consultation between the clients and the IAR's. Copies of the financial information and the investment objectives are furnished to the selected investment advisors if requested by the client.

---

Reference should be made to the section entitled "Item 5 - Services, Fees and Compensation, Additional Information Applicable to Described Programs" for additional important information about the Third Party Manager Wrap Program and applicable fees.

### ***Sub-Advisor Program***

Wiley provides client access to third party investment managers for the discretionary management of client accounts ("Sub-Advisor Program"), and to this end Wiley has entered into advisory agreements with third party registered investment advisers ("sub-advisors") to offer the money management and advisory services to clients of Wiley. Generally, under these agreements, between .35% and 1.25\_% of the fees paid to Wiley will be shared with the respective sub-advisor. Wiley performs regular due diligence review on the respective sub-advisor and the executed agreements are on file for these arrangements. Additional information regarding these advisory arrangements will be disclosed by Wiley at or before the time the clients execute client agreements by delivery of the Form ADV Part 2A for Wiley and the respective sub-advisor.

### **Participating Sub-Advisors**

*InterOcean Capital, LLC.* InterOcean Capital, LLC (IOC), is an investment adviser who participates in the Sub-Advisor Program. IOC receives a fee and Wiley receives a fee. Fees paid by clients with respect to the account shall cover the cost of brokerage commissions or other transaction fees for only those transactions effected through Wiley. The cost of brokerage commissions or fees on all other transactions shall be borne by the client. Client is referred to IOC's Form ADV Part 2A for a complete discussion and disclosure regarding its programs and fees.

*Flippin Bruce and Porter.* Flippin Bruce and Porter ("Flippin Bruce") is an investment adviser who participates in the Sub-Advisor Program. Flippin Bruce provides discretionary services And Flippin Bruce receives a fee and Wiley either receives a fee or charges a ticket charge per transaction. Fees paid by clients with respect to the account shall cover the cost of brokerage commissions or other transaction fees for only those transactions effected through Wiley. The cost of brokerage commissions or fees on all other transactions shall be borne by the client. Client is referred to Flippin Bruce's Form ADV Part 2A – Appendix 1 Wrap Brochure for a complete discussion and disclosure regarding its programs and fees.

*CCM Investment Advisers.* CCM Investment ("CCM") is an investment adviser who participates in the Sub-Advisor Program. CCM provides discretionary services. CCM receives a fee and Wiley either receives a fee or charge a ticket charge per transaction. Fees paid by clients with respect to the account shall cover the cost of brokerage commissions or other transaction fees for only those transactions effected through Wiley. The cost of brokerage commissions or fees on all other transactions shall be borne by the client. Client is referred to CCM's Form ADV Part 2 A – Appendix 1 Wrap Brochure for a complete discussion and disclosure regarding its programs and fees.

---

*Prime Solutions.* Prime Solutions Financial Services Corporation (“Prime Solutions”) is an investment adviser who participates in the Sub-Advisor Program. Prime Solutions provides discretionary services. Prime Solutions receives a fee and Wiley either receives a fee or charge a ticket charge per transaction. Fees paid by clients with respect to the account shall cover the cost of brokerage commissions or other transaction fees for only those transactions effected through Wiley. The cost of brokerage commissions or fees on all other transactions shall be borne by the client. Client is referred to Prime Solutions’ Form ADV Part 2A – Appendix 1 Wrap Brochure for a complete discussion and disclosure regarding its programs and fees.

### **Information About Fees**

Wiley’s fees for the Sub-Advisor Program are generally payable quarterly, in advance and shall be calculated by multiplying the value of the assets under management by the appropriate annual fee rate set forth in the fee schedule. The quarterly payment will be calculated by multiplying the value of the account shown on the last monthly statement for the preceding calendar quarter by the negotiated fee. This amount is then divided by 365 days (366 during leap year) and multiplied by the exact number of days in that quarter. However, if the account(s) uses Black Diamond Performance Reporting, the quarterly payment will be calculated by multiplying the value of the assets in the Client Account(s) as of the last day of the preceding calendar quarter by the Annual Fee. That amount is then divided by four (4) to compute the quarterly payment. This amount shall be payable in advance and such fees may be deducted from client's account(s) quarterly or as appropriate within thirty (30) days from the beginning of the quarter for which said fees will be incurred. Accounts opened in mid-quarter will be assessed a pro-rated management fee. The market value of the assets under management shall be based on the market value of account assets on the last business day of the previous quarter. While the annual fee for Wiley’s services and the services of the investment advisor is generally computed and paid on a quarterly basis, at the direction of client, it may be computed and paid on annual or monthly basis. All advisory fees are negotiable.

Reference should be made to the section entitled "Additional Information Applicable to Described Programs" for additional important information about the Sub-Advisor Program and the Third Party Manager Wrap Program and applicable fees.

### **General Information**

The fees may include ticketing and certain costs or charges associated with securities transactions with or through a broker-dealer other than Wiley. Those costs or charges could include brokerage commissions and dealer mark-ups or mark-downs in principal transactions, or odd-lot differentials, stock exchange fees, transfer taxes or other charges mandated by law, which will be separately charged to the client’s account.

The clients’ investment objectives may be initially determined based on financial information furnished by the clients together with consultation between the clients and the IAR's. Copies of the financial information and the investment objectives are furnished to the selected investment advisors if requested by the client.

---

Client understands that Advisor and Investment Manager will be compensated in connection with their respective roles in the Program, provided that the only fee payable by Client under the Program to them shall be the Portfolio Fee. The fee charged by each Investment Manager selected by Client will be set forth in the Investment Manager Designation for each Investment Manager. Additionally, the Portfolio Fee reflects charges for all advisory and program services payable to Advisor and Investment Manager, but is exclusive of transaction charges and costs, postage and handling charges and direct out-of-pocket costs incurred by Advisor as a result of its providing the services contemplated under this Agreement, and separate third party charges for the Client Account, including transfer fees set forth in the respective Prospectus, and certain transaction and settlement costs incurred by Advisor for Client, or separate fees, costs and expenses resulting from the Agreement(s) executed between Client and the Custodian and the Account Administrator.

### ***General Program Disclosure***

The various wrap programs and the Sub-Manager Program may cost the client more or less than purchasing advisory services, transaction execution services and access to sub-manager advisory services separately. The factors that can bear upon the relative cost of the service or program, include the cost of the services if provided separately, the trading activity in the client's account which results from client investment objectives and type of securities that are invested in.

In addition to Wiley, the investment advisor representative affiliated with Wiley (IAR) who recommends the wrap fee program to the client receives compensation as a result of the client's participation in the program. The amount of this compensation may be more than what the IAR would receive if the client participated in our other programs or paid separately for investment advice, brokerage, and other services. Therefore, IARs may have a financial incentive to recommend the wrap fee program over other programs or services. Notwithstanding that, the policies and procedures attempt to mitigate this conflict of interest through the suitability process.

## **Item 5 - Account Requirements and Types of Clients**

### **Account Requirements**

With respect to the Performance Manager Program, Clients accounts have a minimum account balance requirement (cash and securities) of no less than \$750,000.00, unless the sub-advisor agrees to accept a client's managed assets with a lesser value. In such cases, Wiley will require evidence that the client(s) has a net worth in excess of \$1,500,000; and or is a "qualified purchaser" under Section 2(2)(51)(A) of the Investment Company Act of 1940.

---

## **Types of Clients**

We offer portfolio management and investment advice to the following types of clients:

- Individuals
- Families
- High net worth individuals
- High net worth families
- Pension and profit sharing plans (other than participants)
- Charitable organizations
- Trusts
- Estates
- Private business owners
- Foundations
- Universities
- Corporations
- State or municipal government entities

## **Item 6 - Portfolio Manager Selection and Evaluation**

### **Portfolio Manager Selection**

You have the option to select a portfolio manager on which Wiley has performed due diligence, select a portfolio manager that has not been reviewed by Wiley, utilized a third party portfolio manager program or allow the IAR to manage your portfolio on a discretionary or non-discretionary basis. We assume no responsibility for the selection of the portfolio manager or the suitability of the recommendations made by a portfolio manager.

#### ***Third Party Portfolio Manager Selection***

Managers are generally selected utilizing one of three standards or methodologies. One is by manager recommendations from trusted industry professionals for different assets models/investment styles that meet client objectives and goals. This is followed by several teleconferences to insure that manager's strategy meets the client's objectives. The final meeting is conducted in person by the IAR in order to meet personnel, review offices and confirm previously gathered information.

The second is by running various managers with whom we are familiar or who have been recommended to us by industry professionals through a third party investment manager database. The managers are screened based on various characteristics, including, but not limited to, investment style, performance and risk. One-on-one discussions are held with manager representatives to learn more about the firm and confirm previously gathered information.

The third methodology is through the utilization of other manager selection platforms that are provided by third party service providers, including Lockwood, Genworth and Altegris. For complete details regarding the investment philosophy and methodology used by these firms, you should refer to Form ADV and/or other disclosure documentation which is made available by the

---

respective firm. Lockwood, Genworth and Altegris are periodically reviewed and evaluated by Wiley and subsequent due diligence information is gathered from the respective firms and evaluated annually.

### ***Client Matching***

Information is gathered by each IAR to determine investment goals and objectives and suitability of the respective client. In some cases an Investment Policy Statement (IPS) is created. If not, the Firm requires a Customer Suitability Form to be completed. This is reviewed by the CCO or President of WBAC. Based on the above information the IAR makes a determination of the program and associated manager that would best suit the needs to each client.

### ***Performance Review***

Neither Wiley nor a third-party reviews the portfolio and or sub-manager performance information to determine or verify its accuracy or its compliance with presentation standards. Additionally, you should be aware that performance information may not be calculated on a uniform and consistent basis.

### ***Related Person Portfolio Management***

IARs of Wiley are allowed to act as a portfolio manager for the clients of Wiley Managed Program. Their activities are monitored and there is an annual review by management of client and portfolio information so as to confirm that the program suitable for the client. This information is compiled and reviewed by the President and or chief compliance officer of Wiley. See Fees and Compensation in our Form ADV Part 2A Brochure for further discussion of our compensation and the expenses related to our portfolio manager services. When the IARs manage on the non-wrap platform, they have discretion, and when agreed to in the client agreement, they may charge a cents per share or a transaction fee, in addition to the annual fee, to cover clearing charges assessed to the IAR. This creates conflict of interest; however, we monitor their activities to confirm that the portfolio activities are consistent with the investment objectives of the client and that the IARs trading activity is consistent with his fiduciary duty to the client. This conflict is not as profound with respect to the non-discretionary wrap as the client approves all transactions.

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

### ***Overview***

In some cases, Wiley has entered into performance fee arrangements (Performance Fee) with qualified clients based upon individualized negotiation with each such client. Wiley will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of Performance-Fees, we include realized and unrealized capital gains and losses.



---

### ***Performance Fees***

Performance Fees are individually negotiated and generally based on the performance of each sub-advisor selected by a client relative to the stated benchmark index. The client generally pays a performance fee equal to 20% of the net excess appreciation on the securities in the account over and above the Index and net of all fees, commissions and the advisory fee. However, if the client's securities underperform the Index, Wiley will not collect a performance fee until the cumulative net excess appreciation on the securities in the account exceeds the Index cumulative returns from the effective date of the agreement.

If the account is terminated during a period of underperformance, Wiley will not be required to refund any portion of the performance fee already paid by the client.

Wiley will also be entitled to reimbursement from client for all costs and expenses (including taxes) incurred by Wiley because of providing its investment advisory services to clients.

### ***Performance Manager Program Fees***

Performance Manager Program Fees are a negotiable fee generally assessed to advisory clients that may consist of two components:

#### **Advisory Fee**

The Advisory Fee is computed as a percentage of the average gross assets under management in the account with a cap of 3.0%. The average amount of assets in the Client Account each quarter shall be based on the value of assets on the last trading day of each month during the quarter. Fees are negotiable at the discretion of the IAR generally, which may result in different fees being charged for accounts similar in makeup and objectives.

### **Performance Fees**

Performance Fees are based on the performance of each sub-advisor selected by a client relative to the stated benchmark index. Fee is equal to 20% of the net excess appreciation the securities in the account over and above the Index and net of all fees, commissions and the advisory fee. If the client's securities underperform the Index, Wiley will not collect a performance fee until the cumulative net excess appreciation on the securities in the account exceeds the Index cumulative returns from the effective date of the agreement. If the account is terminated during a period of underperformance, Wiley will not be required to refund any portion of the performance fee already paid by the client. Wiley will also be entitled to reimbursement from client for all costs and expenses (including taxes) incurred by Wiley because of providing its investment advisory services to clients.

### ***Conflicts of Interests***

Performance based fee arrangements may create an incentive for Wiley to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Wiley has procedures designed and implemented to ensure that all clients are treated fairly and

---

equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Any performance-based fee will be arranged subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions, including the exemption set forth in Rule 205-3. See also Fees and Compensation above.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

#### ***Analysis Methods***

Security analysis methods utilized by Wiley include the following:

##### **Fundamental**

Fundamental analysis maintains that markets may misprice a security in the short run, but that the "correct" price will eventually be reached by the market. The fundamental analysis of a business involves analyzing a businesses': financial statements and health, management and competitive advantages, and competitors and markets. When applied to futures and forex, it focuses on the overall state of the economy, interest rates, production, earnings, and management.

##### **Technical**

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

#### ***Sources of Information***

The main sources of information that Wiley uses to analyze these investment strategies is:

- Financial newspapers and magazines
- Research materials prepared by others
- Annual reports, prospectuses, filings with the SEC
- Company press releases
- Electronic Subscriptions

#### ***Investment Strategies:***

The investment strategies Wiley uses to implement any investment advice give to clients includes the following:

- Long term Purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)

- 
- Option writing, including covered options, uncovered options or spreading strategies
  - Utilization of Alternative Investments (Partnerships, Hedge Funds, etc)

### ***Investment Strategy Risks***

#### **General Risks**

***Lack of Diversification:*** Portfolio investments may be concentrated and diversification may be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

***Liquidity:*** The Accounts will be invested in liquid securities and private investments are not permitted. It is possible, however, that securities become less liquid during the holding period.

***Cash and Cash Equivalents:*** Accounts may maintain significant cash positions from time to time and the client will pay the Investment Management Fee based on the net asset value of the Account, including cash and cash equivalents. Furthermore, the Account may forego investment opportunities to hold cash positions if we consider it in the best interests of the Accounts.

***Leverage:*** We may use leverage in investing. Such leverage may be obtained through various means. The use of short-term margin borrowings may result in certain additional risks to Accounts. For example, should the securities pledged to a broker to secure a margin account decline in value, a “margin call” may be issued pursuant to which additional accounts would be required to be deposited with the broker or the broker would effect a mandatory liquidation of the pledged securities to compensate for the decline in value. We might not be able to liquidate assets quickly enough to pay off the margin debt and the Accounts may therefore also suffer additional significant losses as a result of such default. Although borrowing money increases returns if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

***Interest Rate Fluctuation:*** The prices of securities in which the Advisor may invest are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

#### **Long term Purchases (securities held at least a year)**

***Liquidity:*** The portfolio will be invested in liquid securities and private investments are not permitted. It is possible, however, that securities become less liquid during the holding period.

---

**Short term purchases (securities sold within a year)**

**Market Risks:** The success of a significant portion of the program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline, including due to other market participants developing similar programs or techniques.

**Trading (securities sold within 30 days)**

**Market Risks:** The success of a significant portion of a trading program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline, including due to other market participants developing similar programs or techniques.

**Trading is Speculative:** There are risks are involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

**Turnover:** Our trading activities may be made on the basis of short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial brokerage commissions, and related transactional fees and expenses.

**Option writing, including covered & uncovered options or spreading strategies**

**Options and Other Derivatives:** We may purchase or sell options, warrants, equity related swaps or other derivatives that trade on an exchange. Both the purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The effectiveness of purchasing or selling stock index options as a hedging technique depends upon the extent to which price movements in the portion of the Accounts' hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular security, whether an Account realizes a gain or loss will depend upon movements in the level of security prices in securities markets generally rather than movements in the price of a particular security.

**Uncovered Risks:** We may employ various "risk-reduction" techniques designed to minimize the risk of loss in Accounts. Nonetheless, substantial risk remains that such techniques will not always be possible to implement and when possible, will not always be effective in

---

limiting losses. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the value of such positions decline, but utilize other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain if the value of a portfolio position should increase. Moreover, it may not be possible for us to hedge against a fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at a price sufficient to protect from the decline in value of the portfolio position anticipated as a result of such a fluctuation. The success of the hedging transactions will be subject to the ability to correctly predict market fluctuations and movements. Therefore, while we may enter into such transactions to seek to reduce risks, unanticipated market movements and fluctuations may result in a poorer overall performance for the Accounts Portfolio than if we had not engaged in any such hedging transactions. Finally, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary.

#### **Utilization of Alternative Investments**

Alternative investment products, including hedge funds, commodity hedged accounts and managed futures, involve a high degree of risk, often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

### **Item 7 - Client Information Provided to Portfolio Managers**

In compliance with the client agreement executed by you and Wiley, we will provide a portfolio manager and or sub-manager information regarding your investment objectives, account holdings to be managed and other information as may be reasonably necessary for the portfolio manager and or sub-manager to make a decision as to whether to accept the engagement with respect to your account management. After the portfolio manager and or sub-manager is engaged to manage your assets, Wiley will on an on-going basis provide the portfolio manager and or sub-managers with any information you provide us regarding your portfolio, including changes or modifications to your investment objectives, and any specific investment restrictions relating to your portfolio imposed by you, investments that you advise us to not conform to your instructions.

### **Item 8 - Client Contact with Portfolio Managers**

Each portfolio manager and or sub-managers will be reasonably available to you for joint consultation along, with us, regarding your financial situation and objectives, and the management by the respective portfolio manager and or sub-managers of your investment portfolio.

---

## **Item 9 - Additional Information**

### **Disciplinary**

Wiley and an associated person were found to have failed to procure an enforceable life insurance policy for the client, notwithstanding the Client's failure to read their insurance application. The award was \$1,000,000, plus pre-judgment interest and associated court costs.

Additionally, Wiley accepted a Letter of Acceptance, Waiver and Consent (AWC) October 1, 2010 from FINRA in regard to a late trade reporting in violation with Rule G-14 in the first quarter of 2009. The Firm was also fined \$7,500.

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

#### ***Insurance***

Certain associated persons of ours are licensed insurance brokers, and as such, do on occasion sell insurance products to our advisory clients. When such transactions occur, the associated persons receive insurance commissions for such activities. The amount of time spent on these activities is no more than 2%.

#### ***Broker Dealer***

Wiley is registered as broker-dealer with the SEC and various state jurisdictions, and is a member of the Financial Industry Regulatory Authority (FINRA). Advisory personnel of Wiley are generally also registered representatives as to the brokerage activities of Wiley.

We may be used to execute portfolio transactions for our investment advisory clients. These transactions will be conducted subject to proper, and customary, disclosure including (but not limited to) compensation received by Wiley and its registered representatives. Compensation will be received by Wiley, as a broker-dealer, and/or its registered representatives when portfolio transactions are effected on behalf of investment advisory clients, and Wiley and its registered representatives may receive compensation as a result of acting in one or both capacities. Additionally, Wiley, as a broker-dealer, may buy securities for itself from, or sell securities it owns to clients of Wiley, at which time commissions and or other markups/markdowns may be charged to those clients.

#### ***Green Hill Partners***

Related persons of Wiley, David W. Wiley, III and David G. Patterson, Jr., are general partners of Green Hill Partners, LLC ("Green Hill Partners"). Green Hill Partners is the sole general partner of NTC Access Fund, L.P. a private investment partnership in which advisory clients may invest. Clients of Wiley may also be clients of NTC Access Fund, LP and as such may have agreements and pay fees to both the Wiley and to NTC Access Fund, L.P. Green Hill Partners, the general partner of NTC Access Fund, will assess an annual one percent (1%) management and administration fee to each limited partner in the partnership. This fee will be assessed quarterly in advance. In addition, investors will be responsible for a proportionate share of the fees and expenses of the funds.

---

***NTC Access Fund, L.P.***

NTC Access Fund (“NTC Access Fund”) is a limited partnership organized to operate as a private investment partnership. The net proceeds from the sale of the limited partnership interests in NTC Access Fund will be invested in TSF Fund, L.P. which will invest substantially all of its assets in S.A.C. Multi-Strategy Fund, L.P. The general partner of NTC Access Fund is Green Hills Partners, LLC (“Green Hills”). The founders and principals of Green Hills are David W. Wiley, III and David G. Patterson, Jr. Green Hills will assess an annual one percent (1%) management and administration fee to each Limited Partner in NTC Access Fund.

***TSF Fund, L.P.***

The purpose of TSF Fund, L.P. (“TSF”) shall be to invest substantially all of its assets in S.A.C. Multi-Strategy Fund, L.P., (“S.A.C.”), a limited partnership, or to otherwise directly or indirectly through S.A.C., invest in and trade equity or debt securities.

***S.A.C. Multi-Strategy Fund, L.P.***

S.A.C. Multi-Strategy Fund’s (“S.A.C. Multi-Strategy Fund”) investment objective is to achieve superior risk-adjusted returns over a multi-year period, while maintaining a focus on capital preservation. To effect its investment program, S.A.C. Multi-Strategy Fund may invest its assets directly or may invest in certain existing portfolio funds managed by the Investment Manager.

**Other Activities**

Wiley and certain of its principal executive officers may engage in the following activities:

- As a principal, effecting securities transactions for compensation for advisory clients who do not otherwise designate another brokerage firm to perform such services. In this role, Wiley may buy securities for itself from or sell securities it owns to clients. When a principal transaction occurs, we will disclose to the client, in writing before the completion of the transaction, the capacity in which we are acting, and will obtain the consent of the client to such transaction. Wiley may purchase initial public offerings for certain advisory client accounts who have expressed an interest in the purchase of these issues. Wiley has procedures in place to include its current practice of allocating these offerings.
- As a broker or agent, effecting securities transactions through Wiley for compensation for advisory clients of Wiley and registered investment advisers, investment managers or sub-advisors who do not otherwise designate another brokerage firm to perform such services.
- As a broker, effecting agency cross transactions through which client securities are sold to or bought from a brokerage customer.
- Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.

- 
- Buying or selling for itself securities that it also recommends to clients.

### **Code of Ethics**

Wiley has adopted a Code of Ethics to ensure that securities transactions by Wiley's employees are consistent with the Wiley's fiduciary duty to its clients and to ensure compliance with legal requirements and the Wiley's standards of business conduct. The Code requires that employees obtain prior approval for personal securities transactions and requires transaction confirmation and quarterly reporting of such transactions. A written copy of the Wiley's Code of Ethics is available upon request.

Additionally, as a matter of policy we will not permit itself or its employees to trade in front of or in any manner that is prejudicial or disadvantageous to advisory clients. Similarly, if we are participating in an underwriting or sale of limited partnership interests, it will not generally recommend these securities to discretionary advisory accounts without prior consent of client on each transaction. Personal trading by our employees are required to be conducted in compliance with all applicable laws and procedures adopted by us. We allow affiliated persons to participate in aggregate trades to insure that affiliated persons do not receive a better execution than advisory accounts.

### **Review of Accounts**

All advisory accounts and proposals for fees are reviewed on an ongoing basis (monthly, quarterly and annually) by the compliance director(s) or their series 24 designee. Accounts will be reviewed for suitability, among other things. More frequent reviews may be triggered by a request from the client and or changes such as the client's individual circumstances or market, economic or political environment.

Clients are provided with quarterly account position statements as required by the Financial Industry Regulatory Authority, Inc. and the Securities and Exchange Commission. Additionally, clearing, custody, statements and confirms will be provided by Pershing LLC ("Pershing") and Pershing Advisor Solutions ("PAS").

### **Client Referrals and Other Compensation**

#### ***Solicitor Activities***

#### **CCM Investment Advisers**

Wiley has entered into a Solicitor Agreement with CCM Investment Advisers (CCM) whereby Wiley may refer clients to CCM. Wiley will retain contact with these clients solicited as long as they remain clients of CCM. Wiley will not provide any investment management services or render any investment advice on behalf of CCM. Wiley shall deliver to each prospective client a current copy of CCM's brochure, together with the Solicitor's Separate Written Disclosure Statement ("Disclosure Statement"). For each client referral Wiley makes to CCM, CCM will pay an amount from the management fees earned and collected per fees disclosed in contract between firms as long as the client maintains such account with Wiley. The



---

specific terms of the compensation will be disclosed to the client in the Disclosure Statement as delivered by Wiley.

**JP Marvel Investment Advisors**

Wiley has entered into a Solicitor Agreement with JP Marvel Investment Advisors (JPM) whereby Wiley may refer clients to JPM. Wiley will retain contact with these clients solicited as long as they remain clients of JPM. Wiley will not provide any investment management services or render any investment advice on behalf of JPM. Wiley shall deliver to each prospective client a current copy of JPM's brochure, together with the Solicitor's Separate Written Disclosure Statement ("Disclosure Statement"). For each client referral Wiley makes to JPM, JPM will pay an amount from the management fees earned and collected per fees disclosed in contract between firms as long as the client maintains such account with Wiley. The specific terms of the compensation will be disclosed to the client in the Disclosure Statement as delivered by Wiley.

**Genworth Financial**

Wiley has entered into a Solicitor Agreement with Genworth Financial (Genworth) whereby Wiley may refer clients to Genworth. Wiley will retain the contact with these clients solicited as long as they remain clients of Genworth. Wiley will not provide any investment management services or render any investment advice on behalf of Genworth. Wiley shall deliver to each prospective client a current copy of Genworth's brochure, together with the Solicitor's Separate Written Disclosure Statement ("Disclosure Statement"). For each client referral Wiley makes to Genworth as long as the client maintains such account with Wiley, Genworth will pay an amount from the management fees earned and collected per fees disclosed in contract between firms. The specific terms of the compensation will be disclosed to the client in the Disclosure Statement as delivered by Wiley.

**Brinker Capital**

Wiley has entered into a Solicitor Agreement with Brinker Capital ("Brinker"), whereby Wiley may refer clients to Brinker. Wiley may retain contact with these clients solicited as long as they remain clients of Brinker. Wiley will not provide any investment management services or render any investment advice on behalf of Brinker. Wiley shall deliver to each prospective client a current copy of Brinker's brochure, together with the Solicitor's Separate Written Disclosure Statement ("Disclosure Statement"). For each client referral Wiley makes to Brinker, as long as the client maintains such account with Wiley, Brinker will pay an amount from the management fees earned and collected per fees disclosed in contract between firms. The specific terms of the compensation will be disclosed to the client in the Disclosure Statement as delivered by Wiley. If requested by the Client to facilitate a lending arrangement between the client and a bank affiliate of the custodian using the securities in the Client's account as collateral, Brinker may receive a finder's fee, a portion of which will be given to Wiley. Brinker shall select, in its sole discretion, third party investment advisers ("Separate Account Managers"). Brinker shall monitor, or cause to be monitored, the performance of such Separate Account Managers. Brinker may, from time to time, in its sole discretion, remove and replace one or more Separate

---

Account Managers used in the program. Wiley will work with each client to determine client's financial situation, investment objectives, time horizons, risk tolerance and Investment needs. Wiley reviews reports with clients and offers advice.

### **Rochdale Investment Management**

Wiley has entered into a Solicitor Agreement with Rochdale Investment Management ("Rochdale"), whereby Wiley may refer clients to Rochdale. Wiley may retain contact with these clients solicited as long as they remain clients of Rochdale. Wiley will not provide any investment management services or render any investment advice on behalf of Rochdale. Wiley shall deliver to each prospective client a current copy of Rochdale's brochure, together with the Solicitor's Separate Written Disclosure Statement ("Disclosure Statement"). For each client referral Wiley makes to Rochdale, as long as the client maintains such account with Wiley, Rochdale re-allows to Wiley a portion of the management fees earned and collected per fees disclosed in contract between firms. The specific terms of the compensation will be disclosed to the client in the Disclosure Statement as delivered by Wiley.

### ***Other Compensation***

#### **Directed Brokerage**

While not a requirement for being recommended to act as a registered investment adviser, investment manager or sub-manager for our advisory clients, we may recommend that advisory clients utilize registered investment advisers, investment managers and or sub-managers who utilize us for custody and execution services through the Custodian. While this allows us to control transaction costs, Wiley may receive commissions from transactions executed in such accounts. Additionally, (i) Wiley receives brokerage commissions for trading on behalf of the clients of third party manager's institutional clients, who are not direct client's of Wiley and whose assets are custodied outside of Wiley; and (ii) certain third party managers have caused certain of their clients to open brokerage and advisory accounts with Wiley, for which Wiley receives commissions, other fees and or advisory fees, based on the respective relationship between Wiley and such third party money managers. Additionally, these relationships create a conflict of interest in that it can be perceived that such investment managers and or sub-managers may be subject to a lower standard of due diligence; notwithstanding that conflict of interest, Wiley monitors such relationships to assure that we maintain our fiduciary duty to our advisory clients. To the extent such relationship exists between Wiley and such third party money manager, the advisory client of Wiley will be advised of such relationship and the related conflict of interest.

#### **Mutual Funds Charges**

To the extent mutual funds are selected by Wiley to fill components of the overall investment strategy, Wiley endeavors to purchase such mutual fund shares at Net Asset Value ("NAV") or no load. Thus, the client will not be subject to any initial distribution cost (front-end sales charge) or redemption fee (back-end sales charge), if any, that might normally be incurred upon the purchase or sale of shares of mutual fund shares. However, Wiley will receive Rule

---

12b-1 fees from the issuers of such mutual funds, and this will be in addition to the advisory fee paid herein.

### **Cash and Money Market Funds**

Certain money market, municipal money market and government money-market funds pay Wiley a distribution fee in its capacity as a broker dealer. This compensation is in addition to other fees, etc. received from client accounts. The IARs may also receive additional compensation based on client account balances being held in certain money-market funds. Cash balances arising from the sales of securities, redemption of debt securities, dividend and interest payments and funds received from clients are generally invested automatically on a daily basis. When securities are sold, funds (less any changes) are generally credited on the first business day after trade date. Due to the foregoing practices, Wiley realizes some economic benefit because of the delay in investing these funds.

### **Solicitors**

Wiley is compensated as a solicitor by certain registered investment advisors for referring advisory clients to such investment advisors. For more details, please refer to Item 9 - Client Referrals and Other Compensation, Solicitor Activities.

### **Transaction Flow**

When securities are sold, funds may be deposited on the first business day after settlement date. Funds placed in a client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the client's account. Due to the foregoing practices, Wiley may obtain federal funds prior to the date that deposits are credited to client accounts and thus may realize some economic benefit because of the delay in investing these funds. Where an unaffiliated broker-dealer or other entity acts as custodian of the client's account assets, we have no control over the manner in which the cash reserves will be handled. You and/or custodian will make the determination.

### **Custody**

We utilize Pershing and PAS as custodian for our client's assets. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Wiley urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Voting Client Securities**

It is generally our policy not to vote proxies, however, with respect to those accounts for which we have voting authority; it does so in accordance with client instructions and in a manner in which we believe it to be in the best interests of our clients. Wiley generally votes in accordance with the recommendations of the issuer's existing management, unless it is not

---

prudent to do so. A written copy of the proxy policies and procedures are available upon request.

**Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Wiley's financial condition. Wiley has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.