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# Avondale Partners, LLC

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Nashville, TN 37203  
(615) 467-3500

**[www.avondalepartnersllc.com](http://www.avondalepartnersllc.com)**

September, 2012

This Brochure provides information about the qualifications and business practices of AVONDALE PARTNERS, LLC. If you have any questions about the contents of this Brochure, please contact us at (615) 467-3500 or [Jmurphy@avondalepartners.com](mailto:Jmurphy@avondalepartners.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.

AVONDALE PARTNERS is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about AVONDALE PARTNERS also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## MATERIAL CHANGES

This Brochure updates and revises our Brochure dated September 2011. Below is a summary of material changes from the September 2011 Brochure.

- Previously, Avondale provided all investment advisory services through an arrangement in which third parties provided investment services along with Avondale. Avondale now offers clients an option to have Avondale investment adviser representatives provide investment advisory management services directly on either a discretionary or non-discretionary basis ("Direct Advisory Services"). Avondale may be engaged to provide Direct Advisory Services either for an investment management fee or a wrap fee basis. The investment management fee is exclusive of fees payable to broker-dealers and custodians in connection with the execution, clearance, and settlement of securities transactions, and the custody of assets while the wrap fee is generally inclusive of these costs. Additional detail regarding Direct Advisory Services is set forth in this Brochure.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Jim Murphy, Compliance Officer at (615)467- 3500 or [Jmurphy@avondalepartnersllc.com](mailto:Jmurphy@avondalepartnersllc.com).

Additional information about Avondale Partners, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Avondale Partners who are registered, or are required to be registered, as investment adviser representatives of Avondale Partners.

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Brochure Supplement(s)

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## Advisory Business

Avondale Partners, LLC (“Avondale”) is registered as an investment adviser and as a broker-dealer with the SEC, and has conducted its investment advisory business since 2009. Avondale’s investment advisory services include asset management and financial planning services.

Avondale is a wholly-owned subsidiary of Avondale Group, LLC whose principal shareholders are:

- Avondale Equity Partners, LLC
- R. Patrick Shepherd
- Richard Henderson
- Stephen Riven
- Philip Krebs

## Asset Management Services

Avondale provides asset management services directly through Avondale investment adviser representatives ("Direct Advisory Services") or through one or more independent investment managers ("Independent Managers"). Investment strategies are tailored to a client’s specific needs, each portfolio is initially designed to meet client goals which we determine to be suitable based on a client’s circumstances. Once a portfolio has been created, we review the portfolio at least quarterly and may adjust based on a client’s needs, goals and objectives. Clients will receive a quarterly report detailing their holdings. Individual portfolios may consist of individual stocks or bonds, exchange traded funds (ETF’s), options, mutual funds, U.S. government securities, municipal securities, variable life insurance, variable annuities, alternative investments and other public or private securities.

### Direct Advisory Services

After considering the client's investment needs and objectives, an Avondale investment adviser representative will develop and recommend strategies for the client. Clients may either establish a discretionary account in which Avondale has investment discretion to manage client assets or a non-discretionary account in which Avondale will only execute transactions upon the client's instruction to do so. Investment advice will include advice as to equity and debt securities, mutual funds, third party managers, private pooled investments, and other investment alternatives. Solely upon a client's direction, client assets may be invested in Conquest I, a pooled investment vehicle in which Avondale is affiliated.

Clients may elect to pay either an investment management fee or a wrap fee for Direct Advisory Services. An investment management fee arrangement is one in which the fee compensates Avondale solely for providing investment advisory services, and the client is obligated to pay separate fees for brokerage and custody services. A wrap fee arrangement

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is one in which the fee compensates Avondale and other parties, such as a custodian. This compensation is for investment advice as well as brokerage and custody services. There is no difference in how Avondale will manage an account established on an investment management fee basis versus a wrap fee basis. Additional discussion regarding fees and expenses is provided under the caption "Fees and Compensation" in this brochure.

Avondale may utilize Independent Managers to manage a portion of a client's portfolio based upon the client's stated investment objectives. Clients who agree to utilize independent managers are required to grant full discretionary investment authority to invest, reinvest, sell exchange and otherwise deal with assets in their discretion.

Client contact and communications regarding independent managers will occur through Avondale. Avondale will forward the completed client documentation and investment information to the independent managers for processing. Avondale will promptly advise independent managers of changes to client's investment objectives and financial situation. Avondale may ask independent managers to attend meetings with Avondale and clients, however, independent managers are under no obligation to attend any such meeting.

#### Envestnet

Investment Adviser Representatives of Avondale may choose to use various Private Wealth Management programs ("the programs") managed by Envestnet Asset Management, Inc. The programs include both proprietary strategies of Envestnet as well as other third party investment strategies offered through Envestnet's platform. Clients participating in the programs are required to authorize Avondale to designate Fidelity Investments (Fidelity) to provide trade execution, trade clearing and custodial services with respect to client assets. These services are executed through National Financial Services (NFS) or Fidelity Institutional Wealth Services (FIWS), both of which are subsidiaries of Fidelity. Clients who agree to utilize Envestnet services will receive Envestnet's ADV Part 2A which provides a description of their services.

### **Financial Planning Services**

We provide financial planning services to individuals, families and other clients regarding the management of their financial resources based on an analysis of a client's current situation, goals and objectives. Financial planning services may be focused on a particular planning issue, such as an inheritance or may be more comprehensive and include a complete review of a client's circumstances. Generally this service involves preparing a written financial plan.

### **Retirement Plan Advisory Services**

Avondale provides advisory and consulting services to Qualified Retirement Plans, including but not limited to: 401(k) Plans, 403(b) Plans, Profit-Sharing or 401(a) Plans, Traditional Defined Benefit Plans, Cash Balance Pension Plans, Non-Qualified Deferred Compensation Plans and other plan types subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). With regards to these qualified retirement plans, Avondale provides its services pursuant to the terms set forth in the Participant Directed Plan Consulting Services Agreement, or the Institutional Consulting Services Agreement (collectively the "Agreement") entered into with each specific Qualified Plan Client ("Plan Client").

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Avondale provides certain advisory services listed in each Agreement as an Investment Adviser under the Investment Advisers Act of 1940. Each Agreement specifies the rights of the Plan Client, the services Avondale will contractually provide, and the compensation for these services. As the needs of the Plan Client dictate, services may be provided by Avondale on a one-time, as-needed, or continuous basis. If the Plan Client elects for Avondale to provide ongoing investment monitoring, selection, and due diligence, Avondale acknowledges that these services constitute "investment advice." Accordingly, Avondale will provide these services as a Co-Fiduciary under section 3(21) and/or section 3(38) of ERISA pursuant to its Agreement with the Plan Client.

Specific Qualified Plan Consulting Services:

- Assistance in the preparation or review of an Investment Policy Statement (IPS) for the Plan Client based on the investment objectives, risk tolerance and stated goals of the Plan.
- Modeling, review, and development of asset allocation studies for plan clients.
- Assisting with the benchmarking of fees, services and results of current or potential vendors that provide recordkeeping, administrative or education services to a Plan Client.
- Assisting with the management and evaluation of Requests for Proposals and competitive price comparisons for plan services such as recordkeeping, compliance/administration, participant-level advice and other third-party services to the Plan.
- Providing Plan Clients with strategic guidance on plan mergers, acquisitions or the addition of supplemental qualified savings plans.
- Assisting Plan Clients with issues related to plan design and structure based on the needs of their plan and participants.
- Providing ongoing monitoring of investment manager(s) based on specific criteria determined by the Plan Client or on the provisions established by the Investment Policy Statement.
- Providing Plan Clients with investment monitoring or performance reports on a periodic basis that analyze the plan's investment managers on a periodic basis versus an appropriate benchmarks and peer group on a risk-adjusted basis.
- Assisting Plan Clients in the analysis and selection of specific investments to be designated as the Plan's Qualified Default Investment Alternative ("QDIA").
- Providing recommendations to a Plan Client on alternative managers for replacement or addition to their investment lineup.
- Assisting clients with the removal or addition of specific asset classes or categories in order to satisfy the requirements of Section 404(c) of ERISA, as well as offering the Plan's participants an adequate selection of investment alternatives.
- Assistance with the formation and makeup of a Plan's investment committee, as well as the ongoing responsibilities of committee members.

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- Assisting Plan clients with the design and implementation of a formal Education Plan for participants.
  - Acting as a liaison between the Plan Client and their providers and vendors to assist the completion of plan projects, conversions and ongoing due diligence.
  - Assisting Plan Clients with the enrollment and education of the Plan's participants. These services may include conducting group or individual meetings that discuss general investment concepts, an overview of Plan features and benefits, instruction on analyzing individual needs and risk tolerance, and education on general financial planning concepts.

### **Assets under Management**

As of July 31, 2012 Avondale managed approximately \$676,500,000 on a non-discretionary basis.

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## Fees and Compensation

Avondale's Advisory fees are paid quarterly in advance; provided that Advisor will waive the portion of the fee that is attributable to any client assets that are invested in pooled investment vehicles affiliated with Avondale, such as Conquest I. Upon termination of an agreement, Avondale will retain the portion of the fee attributable to services provided prior to termination, and will rebate the remaining portion of the fee, if any, paid in advance to the client. Retirement plan advisory services are paid quarterly in advance or arrears depending on the terms agreed to in the advisory contract.

Advisory fees do not cover the internal expenses or distribution fees (such as 12b-1 fees) of mutual funds, unit investment trusts, or electronically traded funds and administrative, management and performance fees of privately offered pooled investment vehicles (such as fees charged to the Conquest I), fees imposed by mutual funds for short-term trading for redemptions made within short periods of time; any mark-up, mark-down, or dealer spread related to any client account investment; offering discounts and related fees in connection with underwritten public offerings of securities (of which Avondale may be underwriter); costs to third parties for transactions; floor brokerage or exchange fees; fees for wire transfers; costs for exchanging currencies; margin interest; taxes; or other expenses incurred with respect to any investments made for the client account. All of these items will be expenses either directly or indirectly borne by the client separate from the Advisory fee.

### Direct Advisory Services Fees

Clients who enter into agreements for Direct Advisory Services pay a percentage fee to Avondale on all client assets being managed. Clients may elect an arrangement in which a management fee is paid to Avondale for its advisory services ("Management Fee"), in which case the client will be liable for expenses for brokerage, clearance, settlement, and custodial services. Alternatively, clients may elect an arrangement in which a wrap fee is paid to Avondale, which includes payment for Avondale's advisory services, as well as brokerage, clearance, settlement and custodial services ("Wrap Fee"). Refer to the discussion under the caption "Brokerage Practices" for additional information concerning brokerage.

Fees for independent managers "Program Fees" are generally deducted from client accounts and are in addition to Avondale's advisory fee. Program fees will not apply to client accounts where Independent managers are not utilized. The standard fees for direct advisory services will not exceed the following. Independent managers may charge a minimum fee.

\$ Amt	Management Fee	Program Fee	Total Advisory Fee
First \$1,000,000	1.50%	1.00%	2.50%
Next \$1,000,000	1.25	1.00	2.25
Next \$3,000,000	1.00	0.75	1.75
Next \$5,000,000	0.85	0.75	1.50
Next \$10,000,000	0.75	0.50	1.25



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Management Fees and Wrap Fees are negotiated on a case-by-case basis, depending upon a variety of factors, including the nature and complexity of the particular service, the size of the account, the potential for other business or clients, and the attention needed to manage the account. The client agreement will state the specific fee applicable to the client's account. As a general rule, fees are deducted from the clients' accounts. However, a client and Avondale may mutually agree for Avondale to invoice the client separately rather than deducting the fees from the account.

## **Investnet Fees**

Clients who participate in Investnet programs pay a Wrap fee. This includes a program fee from which Investnet pays the Sub-Managers, Model Providers, and the account administration fee. Additionally, Investnet acts as billing service provider and deducts fees charged by Avondale and Fidelity. The standard fee schedule for clients participating in Investnet programs which includes Avondale's advisory fee will not exceed the following schedule, and is negotiable:

\$ Amt	Equity/Bal	Fixed
100 – 500	3.00%	1.50%
500 – 1m	2.25	1.25
1 – 2 m	2.00	1.00
2 – 5m	1.75	0.85
5 – 10m	1.50	0.80
>10m	1.25	0.75

## **Retirement Plan Advisory Services Fees**

Fees are customized to suit the specific needs of each Plan Client, are negotiated directly between the Plan Client and Avondale, and may vary depending on the frequency and type of services provided. Fees may be assessed as itemized expenses, a flat fee for services, and or a fixed percentage of plan assets. Depending on the needs of the Plan Client, fees may be assessed quarterly, semi-annually, or annually. Pursuant to each Plan Client's Agreement, fees may be due in advance of services or in arrears. Asset-based fees will be based on the value of specified plan assets as of the close of business on the last day of the specified period as valued by the Plan Clients' independent custodian. All Plan Clients will be provided invoices itemizing all fees due for services provided by Avondale pursuant to their Agreement with the Plan Client. Alternatively, Plan Clients may authorize a third party provider to provide payment automatically to Avondale according to the terms of the Plan's Agreement. Avondale will work to ensure that all fees received are accurate, and provide the Plan client with proper documentation for their records.

## **Financial Planning fee**

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We charge a flat fee for financial planning fee which is based on the scope and complexity of our engagement with you. The fee may range from \$1,000 to \$10,000.

### **Other Fees and Expenses**

Investment adviser representatives may also be registered representatives of Avondale's broker-dealer. As a result Avondale and registered representatives may accept compensation for the sale of securities or other investment products, including distribution of service fees ("trails") from the sale of mutual funds.

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

Avondale Partners, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

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## **Types of Clients**

Avondale's clients are individuals, banks or thrift institutions, pension and profit sharing plans, trust, estates, charitable organizations, corporations or business entities.

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

Avondale investment adviser representatives may utilize or rely on financial newspapers and magazines, corporate rating services such as Morningstar, annual reports, prospectuses and press releases, research reports and analysis of performance provided by third parties, and publicly available research and reports.

As a firm, Avondale does not follow any particular investment strategy. Each investment adviser representative may determine the strategies and products to be used to achieve the objective of the client. Strategies may include long-term purchase, short-term purchase, day-trading (securities bought and sold within 30 days), short sales, margin transactions, or option transactions or strategies.

Investing in securities involves risk of loss that a client should be prepared to bear. It is important a client understands the risks associated with investing in securities.

### Independent Managers

We recommend independent managers to clients with a variety of investment strategies. We examine the experience, philosophies and past performance of independent managers in an attempt to determine if the manager has the ability to invest over a period of time and in different economic conditions. We monitor the managers underlying holdings, strategies, concentrations and leverage as part of our overall risks assessment.

Avondale recommends Managers to clients with a variety of investment strategies. Some strategies may be high-risk strategies. Such strategies usually have the potential for substantial returns; however, there are correspondingly significant risks involved in the strategies. Such strategies are not intended for all investors. Clients who choose to follow high-risk strategies should be aware that there is the possibility of significant losses up to and including the possibility of the loss of all assets placed in the strategies. Avondale recommends that clients diversify their investments and do not place all of their investments in high-risk investment strategies.

There are additional risks involved in investing in an independent manager which include:

- Managers may not be able to replicate past successes.
- Avondale does not have control of the underlying investments in the portfolio.
- A manager may deviate from the stated strategy of the portfolio.
- We may be unaware of the lack of internal controls necessary for a manager to prevent business, regulatory or reputational deficiencies.

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## **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Avondale Partners or the integrity of Avondale's management. Avondale Partners, LLC has no information applicable to this Item.

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

### **Other Business Activities**

Avondale Partners, LLC is a registered broker/dealer with the U.S. Securities and Exchange Commission ("SEC"), various state jurisdictions and is a member of the Financial Industry Regulatory Authority ("FINRA"). Investor Adviser Representatives of Avondale are separately licensed as registered representatives of Avondale's broker/dealer and can effect security transactions for which they receive separate compensation. This compensation creates a conflict of interest and may affect the judgment of these individuals when making recommendations.

In addition, Avondale is a full-service institutional investment bank and offers equity research and sales and trading execution to institutional clients throughout the U.S., Canada, and Europe as well as institutional asset management. An affiliate, Avondale Futures Group, LLC is a registered introducing broker with the National Futures Association ("NFA") and the Commodity Futures Trading Commission ("CFTC").

Avondale, through IAR's, may offer insurance products and receive normal and customary fees as a result of these sales. This can present a conflict as insurance sales may create an incentive to recommend products based on the compensation paid to the IAR and not in the best interest of the client.

### **Affiliations**

Avondale Partners, LLC is a wholly-owned subsidiary of Avondale Group, LLC ("Group"). Group owns Avondale Funds, which has a 50% ownership interest in Avondale Conquest, LLC an investment adviser registered with the State of California that is the general partner of Conquest I Fund, a private pooled investment vehicle ("Conquest I"). Clients who have engaged Avondale to provide Advisory Services may instruct Avondale to invest client assets in interests in the Fund. This presents a potential for conflict of interest since an affiliate of Avondale Partners is being compensated for managing the Fund and expenses incurred by the Fund are indirectly borne by its investors.

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

### **Avondale Code of Ethics**

Avondale Partners has adopted a Code of Ethics ("Code") for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Avondale Partners must acknowledge the terms of the Code of Ethics annually, or as amended. A copy of the code of ethics will be provided upon request.

### **Participation or Interest in Client Transactions**

Avondale Partners, LLC will, as broker or agent, effect securities transactions for compensation for brokerage clients as part of its brokerage business. In addition, Avondale may be an introducing broker for investment advisory clients that have engaged Avondale to provide Advisory Services. We execute and clear these transactions through National Financial Services (NFS). These transactions will be based solely on investment considerations, including whether the investments are suitable for and meet client's investment objectives and guidelines.

Avondale Partners, LLC as a broker or agent, may be used to execute transactions for brokerage clients. Such transactions will be conducted on a fully disclosed basis and cleared through NFS. A separate brokerage account is established with Avondale's clearing firm for each individual client. These transactions will be appropriate in light of the client's investment objectives and conducted subject to proper and customary disclosure.

Avondale Partners, LLC may recommend for client accounts securities in which our affiliate, Conquest I, directly or indirectly, has an interest. Conquest I is a long-short equity hedge fund for which another affiliate, Avondale Conquest, LLC, serves as an investment adviser. Avondale Funds LLC is a 50% owner of Avondale Conquest. Avondale Conquest is registered as an investment adviser in the state California.

Avondale expects that an investment advisory client of Avondale Partners may own a security also owned by Conquest I Fund. To prevent conflicts of interest, all employees of Avondale Partners, LLC must comply with Avondale's written Policies and Procedures. Further, all employees must adhere to Policies and Procedures regarding material, nonpublic information that are designed to prevent insider trading by any officer, partners or associated person of Avondale.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Avondale Partners will not interfere with making and implementing decisions in the best interest of advisory clients and while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of



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securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Avondale Partners' clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Avondale Partners and its clients.

Avondale Partners' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the compliance department.

The firm will not affect any principal or agency cross securities transactions for client accounts, except with the client's consent and disclosure of the terms of the transaction, as required under applicable regulations. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

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## **Brokerage Practices**

### **Recommendation of Brokers**

For Direct Advisory Services, Avondale recommends clients establish brokerage accounts with Fidelity to maintain custody of client's assets and to effect trades for their accounts. Avondale serves as an introducing broker with respect to transactions executed for clients who utilize NFS as the clearing broker. Avondale and any other broker-dealers utilized in connection with executing securities transactions on behalf of a client are referred to below as a "Broker".

When recommending a Broker (including itself), Avondale may consider the full range and quality of the Broker's services, including the quality of execution and related services, commissions and transaction costs, financial responsibility, experience, professionalism, responsiveness, the value of research the Broker provides and other factors Avondale believes important to the Broker's ability to provide execution services in the best interest of Avondale's clients ("best execution").

Avondale has a fiduciary obligation to seek best execution for client transactions, and would not direct clients to use Avondale or Fidelity if Avondale or Fidelity could not provide the service necessary to meet this obligation. Avondale considers the full range and quality of services, consistent with its obligation to seek best execution, and not just the price. Consequently, a client may be able to obtain lower costs and better pricing from a different Broker. Furthermore, the total cost of a chosen Program or if a client elects to pay a wrap fee for Direct Advisory Services may exceed the combined amounts a client would pay for separate advisory, brokerage and custodial services.

### **Soft Dollar Benefits**

Avondale Partners does not utilize soft dollar arrangement for its advisory clients. We do not direct brokerage transactions to executing brokers for research and brokerage services.

### **Account Statements**

Clearing brokers, on behalf of Avondale, will provide clients with a monthly or quarterly statement of client's account(s). This statement will provide a detailed list of holdings with valuations and account activity as well as confirmations of all securities transactions from the clearing firm.

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## **Review of Accounts**

Avondale provides account reviews (either on an individual basis or in aggregate) to all investment advisory accounts. Reviews are conducted to ensure conformity to investment policy guidelines, established asset allocation strategies and the stated needs of and objectives of the individual client. Avondale's Private Client Group Manager, or designee, reviews Avondale's customer managed accounts at least quarterly. Avondale's Private Client Group Manager, or designee, will review performance information provided by Managers for model portfolios but will not verify the accuracy of the information provided. Avondale utilizes a performance reporting service to monitor portfolio performance

Each client's account is managed on the basis of the client's individual financial situation. Each client has the opportunity to select the account's investment objective and impose reasonable restrictions on the management of assets in the account. In addition, clients will be contacted annually and notified quarterly in order to confirm the accuracy of information regarding this client.

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## **Client Referrals and Other Compensation**

Avondale Partners does not pay or receive compensation for client referrals. All compensation arrangements have been discussed in previous sections of this brochure.

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## **Custody**

Clients should receive at least quarterly statements from the custodian that holds and maintains client's investment assets. Avondale Partners 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.

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## **Investment Discretion**

### **Direct Advisory Services Investment Authority**

For client assets that are managed directly by Avondale investment adviser representative, clients may elect to grant discretionary investment authority or may withhold discretion, as specified in the client agreement entered into between the client and Avondale. If a client grants discretionary investment authority, then Avondale may, without prior consultation with the client, purchase or sell investments in the account, consistent with the investment objectives and strategy agreed upon between the client and Avondale, and subject to any reasonable restrictions that may be agreed to by client and Avondale. If a client does not grant discretionary authority, then Avondale will not execute transactions in the account without client's direction to do so. Irrespective of whether a client has granted discretionary authority, investments in Conquest I will only be made at the direction of a client.

### **Independent Managers**

Clients who utilize independent managers are required to grant full discretionary investment authority to these managers. Avondale will not have discretion with respects to these accounts. Clients are urged to review the ADV's of these managers for information pertaining to their discretionary practices.

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## **Voting Client Securities**

### **Direct Advisory Services - Proxy Voting Policy**

For accounts in which Direct Advisory Services are provided by Avondale investment adviser representatives, neither Avondale nor any of its investment adviser representatives will vote or accept authority to vote proxies on a client's behalf. All proxy voting materials will be forwarded to the client. Also, neither Avondale nor any investment adviser representative will take any action in connection with any legal proceedings involving companies whose securities are held or previously were held in a client's account, including, the filing of "Proofs of Claim" in class action settlements. Any such materials will be forwarded to the client.

### **Independent Managers Proxy Voting Policy**

Independent managers selected and recommended by Avondale may vote proxies for clients. Clients will receive disclosure documents such as an ADV from these independent managers which detail their proxy voting policies. Clients are urged to review this material.

A copy of Avondale's Client Proxy Voting Policies and Procedures can be obtained by contacting the following individual at Avondale:

Jim Murphy  
Compliance Officer  
3102 West End Avenue, Suite 1100  
Nashville, TN 37203  
(615) 467-3499

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## **Financial Information**

Avondale does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and not required to include a balance sheet. Avondale Partners, LLC 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.