



**Part 2A Appendix 1 of Form ADV: *Wrap Fee Program Brochure***

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**TruSight Strategies Program**

08/13/2012

This wrap fee program brochure provides information about the qualifications and business practices of Contango Capital Advisors. If you have any questions about the contents of this brochure, please contact us at 801-844-8684 or [Lincoln.Taylor@zionsbancorp.com](mailto:Lincoln.Taylor@zionsbancorp.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Contango is a registered investment adviser. Registration with the SEC does not imply any particular level of skill or training.

Additional information about Contango Capital Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 131308.

## **Item 2    Material Changes**

In June of 2011, Contango hired a new Chief Operating Officer, Julie Castle. She comes to Contango with over 29 years in the industry. She has a diverse range of experiences in banking and wealth management and has held many leadership roles in her career. Ms. Castle holds the Certified Financial Planner (CFP®) designation and holds various securities licenses as required by the industry.

In September of 2011, Contango discontinued its Family Office service. With that change, Milton Balbuena, head of the Family Office, left Contango to pursue other opportunities.

In November of 2011, Contango made a decision to discontinue its ability to offer futures and other commodities of this nature in our investments. Since Contango has not offered these types of investments for several years, we have terminated our registration with the National Futures Authority as a Commodity Trading Advisor and a Commodity Pool Operator. Contango continues its registration with the Securities and Exchange Commission as an investment adviser.

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## Item 4 Services Fees and Compensation

### SERVICES

Contango Capital Advisors is a SEC-registered investment adviser with our principal place of business located in Utah. Contango Capital Advisors began conducting business in 2004.

We sponsor the TruSight Strategies Program (the "Program"), a wrap fee program. A wrap fee program is an advisory program under which a specified fee or fees not based directly on transactions in the client's account is charged for advisory services, which may include portfolio management or advice concerning the selection of other investment advisers, and the execution of client transactions.

This Wrap Fee Program Brochure is limited to describing the services, fees, and other necessary information clients should consider prior to becoming a client within the Program. For a complete description of the other services and fees offered by our firm, clients should refer to our Form ADV Part 2: Firm Brochure.

You may obtain a copy of our Firm Brochure by contacting us at **801-844-8684 or *Lincoln.Taylor@zionsbancorp.com***.

### MUTUAL FUND/ETF ASSET ALLOCATION PROGRAM

TruSight Strategies Program is a mutual fund/exchange-traded fund ("ETF") asset allocation program that offers clients a wide selection of strategic asset allocations and mutual fund/ETF investment choices, as well as optional features such as systematic rebalancing of Program accounts.

The Program offers a diversified portfolio, professional advice and guidance, ongoing due diligence of the investments in the portfolio and automatic rebalancing of the client's portfolio to maintain the desired asset allocation, all for a single, asset-based fee.

**Account Rebalancing.** Clients may choose to have their accounts automatically reviewed for rebalancing quarterly and, if needed, rebalanced. For clients who accepted the suggested allocation, the rebalancing will be effected against the then current suggested allocation. Any future updates to the suggested allocation corresponding to the client's investor profile will become the new target allocation for the next scheduled quarterly rebalancing, and will be reflected in the account's next quarterly report. A rebalancing to the updated suggested allocation may involve the addition or removal of asset categories, which may require the sale of a mutual fund and/or the selection of one or more new mutual funds for the account.

For clients who create an account allocation based on their preferences, the rebalancing will be effected against their selected account allocation.

Regardless of whether a client chooses to have automatic rebalancing, the client may direct Contango Capital Advisors to rebalance the account at any time. Clients may also direct us to add or remove automatic rebalancing to their accounts (subject to eligibility and under the terms and conditions set forth above) by executing and delivering to our firm the appropriate documentation. Client trades in mutual funds outside of automatic rebalancing may be

subject to short-term redemption fees as set forth in the selected mutual fund's prospectus.

The services we provide for TruSight Strategies Program include the following:

- assist the client to determine an appropriate investment goal, including identifying the client's financial objectives, risk tolerance, liquidity requirements and time horizons;
- establish an appropriate asset allocation;
- provide professional investment management of the client's assets within the selected program *AND/OR* placement of client assets with an Independent Investment Adviser;
- distribution of quarterly account statements;
- performance, investment and reinvestment review, and
- payment of asset management fees.

Clients participating in this program will choose a Portfolio Manager employed by an Independent Registered Investment Adviser ("IRIA") to actively manage their assets under a wrap fee agreement with Contango Capital Advisors. In this program our firm acts as the sponsor to the program and the IRIA acts as the portfolio manager to the client.

A complete description of the independent manager's services, fee schedules and account minimums (if any) will be disclosed in the independent manager's applicable Form ADV disclosure brochure(s) which will be provided to clients at the time an agreement for services is executed and account is established.

### **Fees**

The annualized fees for this program are charged as a percentage of the value of the client's portfolio, according to the following schedule:

| <b><u>Portfolio Value</u></b> | <b><u>Annual Fee</u></b> |
|-------------------------------|--------------------------|
| <b>First \$500,000</b>        | <b>1.50%</b>             |
| <b>Next \$500,000</b>         | <b>1.25%</b>             |
| <b>Next \$2,000,000</b>       | <b>1.00%</b>             |
| <b>Next \$2,000,000</b>       | <b>0.75%</b>             |
| <b>Next \$5,000,000</b>       | <b>0.65%</b>             |
| <b>Over \$10,000,000</b>      | <b>Negotiated</b>        |

**How are Fees Charged?** Program fees are charged quarterly in advance. If management begins after the start of a month, Program fees will be prorated accordingly. When authorized by the client, fees will be debited from the account in accordance with the terms set forth in the Investment Management Agreement ("IMA").

**Payments to Investment Managers.** On the client's behalf, Contango Capital Advisors pays a portion of the fee we receive from the client to the selected investment manager(s) for that investment manager's services to the client, calculated on the value of assets in the client's account managed by that particular investment manager. The Independent Manager will typically receive 12 - 35 basis points (bps), based on the type of portfolio, of the fee paid to our firm.

Although these amounts may be changed from time to time without notice to clients, such changes will not impact the fees paid by clients.

**What services are covered by the Program fees?** The Program fees pay for our firm's advisory services to clients, brokerage and custodial fees as well as administrative expenses of the Program.

Upon entering into a wrap fee account arrangement with Contango Capital Advisors, clients may not designate a broker-dealer for executing securities transactions. Contango designates Fidelity Investments as their executing broker-dealer. Payments to the broker-dealer for its execution services will be accomplished via the wrap fee charges to the account. Clients should be aware that while we strive to maintain our fiduciary duty to clients at all times, there may be an incentive for us to trade less actively in client accounts because we assume the costs of executing transactions for all accounts within this program.

**What services are not covered by the Program fees?** The Program fees do not include expenses of mutual funds and electronically traded funds such as fund management fees charged to each fund's investors.

**Other Fees and Expenses.** Clients may incur charges for other account services provided not directly related to the execution and clearing of transactions, including, but not limited to, account closing fees.

**Additional Information about Program fees.** Under the Program, the participant receives investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified Program Fee. Clients are cautioned that depending on the level of fees charged by the executing broker-dealer, and the amount of portfolio activity in the clients' account, the value of the services provided under this Program may exceed the total cost of such services had they been provided separately. In addition, the Program Fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs. In addition, a disparity in wrap fees may exist between the wrap fees charged to other clients.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

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

***Exchange-Traded Funds.*** Shares of ETFs held in client accounts are bought and sold on an exchange and not, like mutual funds, directly from the fund itself. The price of ETF shares fluctuates in accordance with changes in the net asset value (NAV) per share, as well as in response to market supply and demand. Accordingly, ETF shares may trade at a price which differs from NAV per share of the ETF.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to Contango Capital Advisors' minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

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

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

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

## **COMPENSATION**

We enter into marketing arrangements with our affiliate banks pursuant to which employees of their banks ("Solicitors") offer our services, including participation in this program, to the public. Through these arrangements, we pay a cash referral fee to the Solicitor and/or their firm based upon a percentage of our advisory fee. The payment of referrals fees will not increase the amount of the fees paid by program participants. However, clients should be aware that the receipt of this compensation may create an incentive for the individual to recommend participation in this program over others for which no such compensation may be received.

As required by applicable law, the details of the solicitation arrangement, including the compensation payable to the solicitor, will be described to the client in a separate document provided to the client at the time of the referral.

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

### **MINIMUM ACCOUNT REQUIREMENTS**

Participation in this program is subject to certain minimum account requirements. For a more detailed understanding of these requirements, please review the disclosures provided in the preceding section.

The Program's portfolio managers do not impose minimum investment requirements for client participation.

### **TYPES OF CLIENTS**

Contango Capital Advisors provides advisory services in the TruSight Strategies Program, where appropriate, to:

- Individuals
- Trusts
- Estates
- Corporations
- Charitable Organizations
- Partnerships



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

### **PORTFOLIO MANAGER SELECTION**

As previously disclosed, Contango Capital Advisors recommends the services of independent managers to provide asset management services to our clients based on the client's individualized needs. A portion of the client's assets will then be managed by the independent manager based upon the stated investment objectives of the client.

The recommendation of an independent asset manager is contingent upon that manager passing our due diligence requirements. Contango Capital Advisors will not recommend the use of an independent manager unless the manager is registered or exempt from registration as an investment adviser in the client's home state. We evaluate independent asset managers based on extensive information provided by that manager, including descriptions of its investment process, asset allocation strategies, sample portfolios, and the independent manager's disclosure brochure(s). We also analyze performance, risk characteristics and management style.

Investment managers are selected by the client after a profile interview is completed with the prospective client. A manager is selected whose discipline style and manner is most compatible with the client's risk/reward performance. Manager review is performed at least annually. If the client is dissatisfied with that manager for any reason, a more in-depth review of the manager's performance is conducted consistent with the client's financial profile. If there are meaningful inconsistencies between the two, typically that manager will be replaced.

Circumstances under which an asset manager might be removed include (but are not limited to) poor performance, significant departure from the manager's stated investment discipline, or material changes in the organization. Similarly, Contango Capital Advisors may, as an alternative, recommend changing managers for any of the foregoing or other reasons, including a client's dissatisfaction.

### **PORTFOLIO PERFORMANCE REPORTING**

As disclosed in Services, Fees and Compensation (Item 4), participating clients' assets are managed by unaffiliated investment management firms. These firms also provide clients with periodic performance reporting.

Investment performance of accounts maintained in the program is calculated and reviewed internally by Envestnet, a third party unaffiliated registered investment adviser. While Envestnet follows industry standards, it makes no claim to be GIPS compliant.

## **AFFILIATED PORTFOLIO MANAGERS**

As previously disclosed, certain client assets in this program are managed by our portfolio managers. Please refer to Item 4 for a detailed description of TruSight Strategies Program' services and fees.

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

Individuals affiliated with our firm are responsible for developing an initial financial profile of the prospective client. Prior to opening an account, we assist in determining a participant's profile for the Program by obtaining from the participant appropriate information (i.e., investment objectives, risk tolerance, time horizon, and any reasonable restrictions the client wishes to impose upon the management of the account). Initial investment strategy is jointly determined based on an assessment of the information provided by the client.

While we provide the client with periodic reminders, it remains the client's responsibility to advise us of any changes to the information previously provided that might impact the ongoing suitability of any prior determined investment strategy(ies) and/or objectives. We will promptly communicate any reported changes to the client's portfolio manager.

Contango Capital Advisors' investment adviser representative will directly contact each wrap fee program client at least annually to verify that there has been no change in the client's financial circumstances and/or investment objectives, and determine whether the client wishes to impose any reasonable restrictions on the management of the account(s). Any such changes or requests are communicated in writing to the client's portfolio manager, who is responsible for implementing appropriate adjustments to the client's portfolio.

### **Item 8 Client Contact With Portfolio Managers**

Clients utilizing third party portfolio managers for management of their assets generally do not come in contact with their portfolio managers. In this program, Contango Capital Advisors' representatives typically serve as the communication conduit between the client and the independent manager. Clients are required to contact their financial consultant with any questions they may have regarding their account(s).

### **Item 9 Additional Information**

#### **Disciplinary Information**

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

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

## Other Financial Industry Activities and Affiliations

**MANAGEMENT PERSONNEL Registrations.** Certain management personnel of our firm are separately licensed as registered representatives of Zions Direct, Inc. an affiliated FINRA member broker-dealer. These individuals in their separate capacity, can effect securities transactions for which they may receive separate, yet customary compensation.

While Contango Capital Advisors and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure.)

Management personnel of our firm, in their individual capacities, are agents for various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

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

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

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

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

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

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

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

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

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [Lincoln.Taylor@zionsbancorp.com](mailto:Lincoln.Taylor@zionsbancorp.com), or by calling us at 801-844-8684.

Contango Capital Advisors and individuals associated with our firm are prohibited from engaging in principal transactions.

Contango Capital Advisors and individuals associated with our firm are prohibited from engaging in agency cross transactions.

### **Contango Private Equity**

Contango serves as the manager to a special purpose vehicle called Contango Private Equity I, LLC ("the Fund"), a limited liability company formed for the sole purpose of investing all of its assets in an underlying secondary private equity fund. Unlike other types of private funds, such as hedge funds, private equity funds receive unfunded capital commitments from investors during one or more initial fundraising stages, after which the funds are generally closed to new investors. As such, the Fund is closed and no client of Contango is ever solicited to invest in the Fund.

Contango does not receive investment advisory compensation from the Fund. Related

persons of our firm may spend as much as 5% of their time on these related activities.

Additional information regarding the Fund is available on our ADV Part 2A. The Fund is not required to register as an investment company under the Investment Company Act of 1940 in reliance upon an exemption available to funds whose securities are not publicly offered. Contango Capital Advisors manages the Fund on a discretionary basis in accordance with the terms and conditions of the Fund's offering and organizational documents.

### **Personal Trading**

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

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

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As previously disclosed, related persons of our firm are separately registered as *securities representatives of a broker-dealer and/or licensed as an insurance agent/broker of various insurance companies*. Please refer to the preceding section for a detailed explanation of these relationships and important conflict of interest disclosures.

### **Review of Accounts**

Contango Capital Advisors reviews client accounts no less often than quarterly. More frequent reviews may be triggered in the event of changes in management style or fund closures. Account reviews are conducted by the investment adviser representative assigned to the account. At least annually, we meet with the client (either in person or over the phone) to review and update, as necessary, the client's investment profile. However, should there be any material change in the client's personal and/or financial situation, we should be notified immediately to determine whether any review and/or revision of the client's investment profile is warranted.

All clients receive account statements from their custodian on at least a quarterly basis. Additionally, we provide clients with periodic performance measurement summary reports, usually on a quarterly basis.

## **Client Referrals and Other Compensation**

Contango Capital Advisors receives client referrals for participation in the Program ("Program Participant") through employees of affiliated banks.

The affiliated banks, which are exempt from registration, receive fees for their services and compensation from Contango Capital Advisors for referrals of Program Participants. The amount of compensation earned for these referrals may be greater than the compensation that would otherwise be received if the services were provided separately. Accordingly, there may be a greater incentive for these individuals to recommend participation in this program.

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

## **Financial Information**

As an advisory firm that maintains discretionary authority for client accounts is required to provide a copy of our firm's balance sheet, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Contango Capital Advisors has no additional financial circumstances to report.

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

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