

**Firm Brochure  
Form ADV Part 2A**

**Parkview Advisors LLC**

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**I. Cover Page**

This Form ADV Part 2A/Brochure ("Brochure") provides information about the qualifications and business practices of Parkview Advisors LLC. ("Parkview Advisors"). Parkview Advisors is registered as an investment adviser with the United States Securities and Exchange Commission (the "SEC") under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). If you have any questions about the contents of this brochure, please contact us by telephone at +1 212 510 5477 or by e-mail at [info@parkview.us.com](mailto:info@parkview.us.com). The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Additional information about Parkview Advisors is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The information contained in this brochure relates only to specific questions to which the relevant agencies request answers. This document is not, and is not intended to be, a marketing brochure, nor is it to provide detailed information about all aspects of Parkview Advisors' business. There is no specific level of skill or training required to become a registered investment adviser with the SEC. Parkview Advisors requires its employees to have a high level of experience and education as described in more detail below. This Brochure has been prepared as of January 1, 2012.

**II. Material Changes**

This is the initial Form ADV Part 2A/Brochure for Parkview Advisors.

**III. Table of Contents**

I. Cover Page .....	1
II. Material Changes .....	1
III. Table of Contents .....	2
IV. Advisory Business.....	3
<i>Discretionary Asset Management Services</i> .....	3
<i>Non-Discretionary (i.e., Advisory) Asset Management Services</i> .....	3
<i>Consulting Services</i> .....	3
<i>Wrap Fee Programs</i> .....	4
<i>Assets</i> .....	4
V. Fees and Compensation.....	4
<i>Compensation</i> .....	4
VI. Performance Based Fees and Side-by-Side Management .....	5
<i>Performance Based Fee Scheme</i> .....	5
<i>Side-by-Side Management</i> .....	5
VII. Types of Clients .....	6
VIII. Methods of Analysis, Investment Strategies and Risk of Loss .....	6
<i>Methods of Analysis</i> .....	6
<i>Material Investment Risks</i> .....	7
IX. Disciplinary Information.....	10
X. Other Financial Industry Activities and Affiliations.....	10
XI. Code of Ethics, Participation in Client Transactions and Personal Trading .....	10
<i>Code of Ethics</i> .....	10
<i>Participation or Interest in Client Transactions</i> .....	11
XII. Brokerage Practices .....	12
<i>Selecting Broker-Dealers</i> .....	12
<i>Swiss Based Custodians</i> .....	13
<i>Client Directed Brokerage</i> .....	13
<i>Decision Making Process; Balancing the Interests of Multiple Client Accounts</i> .....	14
<i>Use of Soft Dollars</i> .....	14
<i>Trade Errors</i> .....	15
XIII. Review of Accounts.....	15
XIV. Client Referrals and Other Compensation .....	15
XV. Custody .....	16
XVI. Investment Discretion.....	16
XVII. Voting Client Securities .....	17
XVIII. Financial Information.....	17

#### **IV. Advisory Business**

Parkview Advisors LLC ("Parkview Advisors" or "we"), a Delaware limited liability company based in New York City, provides investment advisory services mainly to international clients. Parkview Advisors was formed on November 21, 2011, and is wholly owned by Parkview Ltd., a Swiss corporation based in Zurich. Parkview Ltd. is a registered investment adviser with the United States ("U.S.") Securities and Exchange Commission ("SEC"), CRD 160171, and controls Parkview Advisors.

Parkview Advisors helps entrepreneurs and their families sustain wealth across generations by delivering investment advisory, management, and controlling services. The services provided include the provision of discretionary portfolio management and continuous advice concerning investment of assets consistent with the circumstances, preferences and objectives of each client. As part of the information-gathering process, Parkview Advisors determines the client's individual objectives, time horizon, risk tolerance, and liquidity needs and develops a tailored investment policy. Parkview Advisors discusses a client's prior investment history, as well as family composition and background.

##### *Discretionary Asset Management Services*

Under a discretionary management mandate, Parkview Advisors has the authority to supervise and direct the investments of and for each client's account generally in line with the investment profile agreed with the client and without prior consultation with the client. Parkview Advisors determines which securities are bought and sold for the account and the total amount of the purchases and sales. Parkview Advisors' authority may be subject to special conditions imposed by individual clients. For example, a client may restrict or prohibit transactions in certain types of securities.

##### *Non-Discretionary (i.e., Advisory) Asset Management Services*

Under a non-discretionary management mandate, Parkview Advisors makes investment recommendations to a client, and the client subsequently makes all investment decisions about the investments held in his or her account. In order to implement a client's decisions, the client may authorize Parkview Advisors to place orders for the execution of securities transactions for the client's account. Parkview Advisors generally provides advice concerning appropriate asset allocations, evaluation of investment managers, identification of risks, and specific investment recommendations

##### *Consulting Services*

Upon request, Parkview Advisors advises families on matters relating to family governance, succession planning, and philanthropy.

### *Wrap Fee Programs*

Parkview Advisors does not participate in wrap fee programs.

### *Assets*

Parkview Advisors was newly formed and does not manage any assets as of the date of this Brochure.

## **V. Fees and Compensation**

### *Compensation*

For its discretionary asset management service and nondiscretionary asset management service, Parkview Advisors charges a fee for its services based on a percentage of the market value of assets under management. The fixed asset management fee for discretionary and nondiscretionary asset management services is charged quarterly in arrears and is calculated on the basis of the value of the assets under management at the last business day of the respective calendar quarter. The annual fees range from 0.4% to 1%, depending on the size and complexity of the mandate.

Parkview Advisors may waive, discount and/or negotiate fees at its discretion. Parkview Advisors may also charge additional fees for services outside the scope of the services described above. Any additional fees are disclosed to the client.

Parkview Advisors offers certain clients the option of paying a base fee and a performance fee in lieu of the customary fee. This alternative compensation model is offered only in accordance with Rule 205-3 under the Advisers Act. Under this alternative compensation model, a base fee of 0.4% per annum is charged in lieu of the normal fee schedule and in addition, Parkview Advisors will receive a performance fee of 10%. The performance fee is payable on net performance of the managed account, which for these purposes is calculated by taking the gross performance (i.e., realized and unrealized capital gains, dividends and interest) and subtracting from that amount the flat base fee. The performance fee is not payable on recouperated losses in the value of the managed account on a year-by-year basis (i.e., the fee is subject to a high water mark). The flat base fee is charged quarterly in arrears and is calculated on the basis of the value of the assets under management at the last business day of the respective calendar quarter. The performance fee component is calculated and charged if applicable annually after December 31 of each year. For accounts opened during a calendar year, the flat base fee and the hurdle rate is adjusted on a pro rata basis.

Fees charged by Parkview Advisors do not include custodian fees, fees for trade settlement, brokerage commissions, or any other fee imposed by the custodian bank or the broker. Parkview Advisors also advises clients on foreign currencies and the below fee

schedule applies and is negotiable to such advice. Compensation is not payable in advance. Parkview Advisors does not manage or advise accounts based on commissions, subscriptions fees, or hourly rate charges.

Parkview Advisors relies on custodian banks of its clients to value the assets in the respective client accounts, and Parkview Advisors computes its investment advisory fees based on these valuations provided by the custodian. At the end of the quarter Parkview Advisors arranges with the custodian for the direct payment of its fee from the respective client accounts. The client's statement from the custodian will reflect all amounts disbursed from the account, including the amount of any advisory fee paid to Parkview Advisors.

Consulting Services fees are determined based on the nature of the service provided and the complexity of each client's circumstances. All fees are agreed prior to entering into a contract. The fees are calculated and charged on a fixed fee basis, typically ranging from \$30,000 to \$300,000 per year, depending on size and complexity, and subject to the specific arrangement reached with the client.

## **VI. Performance Based Fees and Side-by-Side Management**

### *Performance Based Fee Scheme*

See the discussion in Section V for a description of the performance fees charged by Parkview Advisors.

### *Side-by-Side Management*

Conflicts related to side-by-side management of different accounts may exist. For example, Parkview Advisors may manage more than one account according to the same or a substantially similar investment strategy. Side-by-side management of different types of accounts may raise conflicts of interest when two or more accounts invest in the same securities or pursue a similar strategy. These potential conflicts include the favorable or preferential treatment of an account or a group of accounts, conflicts related to the allocation of investment opportunities, particularly with respect to securities that have limited availability, such as initial public offerings, and transactions in one account that closely follow related transactions in a different account. In addition, the results of the investment activities for one account may differ significantly from the results achieved for other accounts, particularly as a result of Parkview Advisors' practice to individually tailor each client's investment portfolio. Parkview Advisors has policies and procedures in place aiming to ensure that all client accounts are treated fairly and equitably. Parkview Advisors strives to equitably allocate investment opportunities among relevant accounts over time. In addition, investment decisions for each account are made with specific reference to the individual needs and objectives of the account. Accordingly, Parkview

Advisors may give advice or exercise investment responsibility or take other actions for some clients (including related persons) that may differ from the advice given, or the timing and nature of actions taken, for other clients. Investment results for different accounts, including accounts that are generally managed in a similar style, also may differ as a result of these considerations. Some clients may not participate at all in some investments in which other clients participate, or may participate to a different degree or at a different time.

## **VII. Types of Clients**

Parkview Advisors offers investment management services to international high net worth individuals and families. These individuals may use trusts or other entities to control their liquid assets. Such entities in some occasions can become the contracted client of the firm. Parkview Advisors generally works with international clients who are not resident in the U.S. Parkview Advisors often serves as a sub-adviser to its parent company, Parkview Ltd. In cases where a client is served both by Parkview Ltd. and Parkview Advisors, generally Parkview Ltd. will oversee the assets of the client held at custodians outside the U.S. and Parkview Advisors will oversee the assets of the client held at U.S. custodians.

Generally, Parkview Advisors works with clients with a minimum of \$10 million of assets under management. Parkview Advisors may accept accounts below the minimum requirements, or may retain accounts that have dropped below the minimum requirement due to market fluctuation or investment performance. Accounts that have family, corporate or other relationships may be aggregated for purposes of the minimum account size.

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

### *Methods of Analysis*

Parkview Advisors offers primarily institutional asset management. Rather than selecting individual securities, Parkview Advisors attempts to optimize a client's asset allocation following a previously defined investment policy and then selects the best managers in each asset class based on research (manager due diligence and monitoring) provided by third parties. Macro-economic trends, cyclical and trending analysis of currencies, sectors, markets, industries, along with asset class return expectations and risk profiles drive the strategic and tactical asset allocation process.

In selecting specific securities, Parkview Advisors employs a bottom-up approach evaluating the fundamentals of the specific investment, comparisons to benchmarks and to similar securities, and timing.

Parkview Advisors offers investment management and advisory services typically on the following types of securities and transactions: exchange-listed securities, securities traded over-the-counter, foreign issuers, options (including covered and uncovered positions), corporate debt securities (and other commercial paper), certificates of deposit, investment company securities such as mutual funds, exchange traded funds, foreign exchange transactions, and futures contracts on intangibles.

Parkview Advisors will also invest in hedge funds or other private funds on a limited basis. Investments in private funds are available to “accredited investors” or “qualified purchasers,” and they typically require investors to lock-up their assets for a period of time. These investments may have limited or no liquidity and they may involve different risks than investing in registered funds and other publicly offered and traded securities. Parkview Advisors relies on the valuation and performance data provided directly from the private funds. Private funds may often be delayed in providing Parkview Advisors with the valuation information; therefore, Parkview Advisors may likewise be delayed in reporting this information to the client. Parkview Advisors will rely on the accuracy of a client’s representations in making corresponding representations regarding the investment restrictions on behalf of the client’s account in connection with certain derivative and other transactions. Parkview Advisors also requires notification by the client if the client’s representations become inaccurate.

In certain cases Parkview Advisors may provide asset allocation recommendations that may include real estate holdings. These holdings are acquired through real estate investment trusts (REITs) and other investment vehicles. Parkview Advisors does not invest in real properties.

#### *Material Investment Risks*

Clients should bear in mind that investing in securities involves a risk of loss. Among other risks, investments will be subject to market risk, liquidity risk, credit and counterparty risk, interest rate risk, risk in fluctuations of commodity pricing, risk of loss due to political and economic developments in foreign markets, and risks involving movements in the currency markets. Clients should be prepared to bear the risk of losing their investment in securities. Past performance is not an indication as to future results.

Depending on the specific investments held within his or her Account, a Client may face the following investment risks:

*Market Risk:* Market risk refers to the risk of loss arising from general economic and market conditions, such as interest rates, availability of credit, inflation rates, commodity prices, economic uncertainty, changes in laws and national and international political circumstances. Each Account is subject to market risk, which will affect volatility of

securities prices and liquidity. Such volatility or illiquidity could impair profitability or result in losses.

*Risk Related to Equity Investments:* Investments in equity securities generally involve a high degree of risk. Prices are volatile and market movements are difficult to predict. These price movements may result from factors affecting individual companies or industries. Price changes may be temporary or last for extended periods. The value of specific equity investments obviously correlates to the fundamentals of each particular security. Prices of equity investments may fall or fail to appreciate regardless of movements in securities markets.

*Risks Related to Fixed Income Investments:* Investments in fixed income securities (*i.e.*, bonds) represent numerous risks such as credit, interest rate, reinvestment, and prepayment risk, all of which affect the value of the security and volatility of such value. In general, securities with longer maturities are more sensitive to price changes. Additionally, the prices of high yield, fixed-income securities fluctuate more than high quality debt issues. Prices are especially sensitive to developments affecting the company's business and to changes in the ratings assigned by rating agencies. Prices are often closely linked with the company's stock prices. High yield securities can experience sudden and sharp price swings due to changes in economic conditions, stock market activity, large sales by major investors, default, or other factors. Developments in the credit market may have a substantial impact on the companies we may invest in and will affect the success of such investments. In the event of a default, the investment may suffer a partial or total loss.

*Risks Related to Investments in Funds:* For purposes of this discussion, the term "Fund" includes, but is not limited to, a U.S. or non-U.S. unit investment trust, an open-end or closed-end mutual fund, a hedge fund, a private equity fund, a venture capital fund, a real estate investment trust, an exchange traded fund ("ETFs") or any other private alternative or investment fund). Investments in Funds carry risks associated with the particular fund. Each fund and the respective manager will charge their own management and other fees, which will result in a Client bearing an additional level of fees and expenses. U.S. mutual funds generally must distribute all gains to investors, including investors who may not have an economic gain from investing in the fund, which can lead to negative tax effects on investors, particularly non-U.S. persons. Investments in certain non-U.S. funds by U.S. persons result in U.S. tax and reporting obligations and failing to comply with such requirements can result in significant penalties. Funds generally have unique risks of loss as described in their offering documents.

*Risks Related to Investments in Derivatives:*

*Leverage:* Certain investment instruments such as derivatives may use leverage to achieve returns. The use of leverage may have the effect of disproportionately



increasing an account's exposure to the market for the securities or other assets underlying the derivative position and the sensitivity of an account's portfolio to changes in market prices for those assets. Leverage will tend to magnify both the positive impact of successful investment decisions and the negative impact of unsuccessful investment decisions by Parkview Advisors on an account's performance.

*Counterparty Credit Risk:* When a derivative or certain other instruments are purchased, a client's account will be subject to the ability and willingness of the other party to the contract (a "Counterparty") to perform its obligations under the contract. Although exchange-traded futures and options contracts are generally backed by a guarantee from a clearing corporation, an account could lose the benefit of a contract in the unlikely event that the clearing corporation becomes insolvent. A Counterparty's obligations under a forward contract, over-the-counter option, swap or other over-the-counter derivative contract are not so guaranteed. If the Counterparty to an over-the-counter contract fails to perform its obligations, an account may lose the benefit of the contract and may have difficulty reclaiming any collateral that an account may have deposited with the counterparty.

*Lack of Correlation:* The market value of a derivative position may correlate imperfectly with the market price of the asset underlying the derivative position. To the extent that a derivative position is being used to hedge against changes in the value of assets in an account, a lack of price correlation between the derivative position and the hedged asset may result in an incomplete hedge.

*Illiquidity:* Over-the-counter derivative contracts are usually subject to restrictions on transfer, and there is generally no liquid market for these contracts. Although it is often possible to negotiate the termination of an over-the-counter contract or enter into an offsetting contract, a Counterparty may be unable or unwilling to terminate a contract with an account, especially during times of market instability or disruption. The markets for many exchange traded futures, options and other instruments are quite liquid during normal market conditions, but this liquidity may disappear during times of market instability or disruption.

*Less Accurate Valuation:* The absence of a liquid market for over-the-counter derivatives increases the likelihood that Parkview Advisors will not be able to correctly value these interests.

*Currency Exposure:* Parkview Advisors may invest in securities and other investments that are denominated in currencies other than U.S. Dollars. Accordingly, the value of such assets may be affected favorably or unfavorably by fluctuations in currency rates. Parkview Advisors seeks to hedge the foreign currency exposure but such hedging strategies may not necessarily be available or effective and may not always be employed.

Accounts managed by Parkview Advisors are routinely subject to foreign exchange risks and bear a potential risk of loss arising from fluctuations in value between the U.S. Dollar and such other currencies.

*Non-U.S. Investments:* Investments in non-U.S. securities expose the client's portfolio to risks that in addition to those risks associated with investments in U.S. securities. Such risks include, among other things, trade balances and imbalances, economic policies of various foreign governments, exchange control regulations, withholding taxes, potential for nationalization of assets or industries, and the political instability of foreign nations.

## **IX. Disciplinary Information**

Parkview Advisors has not been involved in any legal or disciplinary events.

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

As described in Item IV, for certain clients, Parkview Advisors works closely with its parent company, Parkview Ltd., in Zurich, Switzerland. Parkview Ltd. is a registered investment adviser with the SEC. In certain cases, the primary client relationship is with Parkview Ltd. and Parkview Advisors is retained as a sub-adviser by Parkview Ltd.

Parkview Advisors is affiliated with Parkview Advisors LLP, a London based investment adviser registered with the U.K. Financial Services Administration.

Parkview Advisors and its management personnel neither are registered nor have an application pending to register as, broker-dealers, registered representatives of a broker-dealer, future commissions merchants, commodity pool operators, commodity trading advisors, or associated persons of the foregoing entities.

Parkview Ltd., the parent company of Parkview Advisors, is a member of the Swiss self-regulatory association VQF Financial Services Standards Association (member number 13043), which may seek to regulate the activities of Parkview Advisors as a wholly owned subsidiary of Parkview Ltd.

## **XI. Code of Ethics, Participation in Client Transactions and Personal Trading**

### *Code of Ethics*

Parkview Advisors has adopted a Code of Ethics (the "Code") and attendant policies and procedures governing personal securities transactions by Parkview Advisors and its personnel. The Code also provides guidance and instruction to Parkview Advisors and its

personnel on their ethical obligations in fulfilling its duties of loyalty, fairness and good faith towards the clients. The overriding principle of Parkview Advisors' Code of Ethics is that all employees of Parkview Advisors owe a fiduciary duty to clients for whom Parkview Advisors acts as investment adviser or sub-adviser. Accordingly, employees of Parkview Advisors are responsible for conducting personal trading activities in a manner that does not interfere with a client's portfolio transactions or take improper advantage of a relationship with any client.

The Code contains provisions designed to try to: (i) prevent, among other things, improper trading by Parkview Advisors' employees; (ii) identify conflicts of interest; and (iii) provide a means to resolve any actual or potential conflicts of interest in favor of the clients. The Code attempts to accomplish these objectives by, among other things, (i) requiring pre-clearance of specific trades, which includes documenting any exceptions to such pre-clearance requirement; (ii) restricting trading in certain securities that may cause a conflict of interest, as well as (iii) periodic reporting regarding transactions and holdings of employees.

The Code contains sections including, but not limited to, the following key areas: (i) restrictions on personal investing activities; (ii) gifts and business entertainment; and (iii) outside business activities.

The Code also provides for the Parkview Advisors' execution of supervisory policies and procedures, and the review and enforcement processes of such policies and procedures. Parkview Advisors has designated a Chief Compliance Officer responsible for maintaining, reviewing and enforcing Parkview Advisors' Code of Ethics and corresponding policies and procedures.

The fundamental position of Parkview Advisors is that, in effecting personal securities transactions, personnel of Parkview Advisors must place at all times the interests of clients ahead of their own pecuniary interests. All personal securities transactions by these persons must be conducted in accordance with the Code of Ethics and in a manner to avoid any actual or potential conflict of interest or any abuse of any person's position of trust and responsibility. Further, these persons should not take inappropriate advantage of their positions with or on behalf of a client.

Parkview Advisors will provide a copy of the Code of Ethics to any client or prospective client upon request.

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

Parkview Advisors regularly personnel invest alongside the firm's clients, both to align the interest of firm and personnel and firm clients and as an expression of confidence in our portfolio management efforts. In order to ensure that Parkview Advisors personnel never

trade ahead of their clients, the firm generally tries to ensure that all trading in specific positions for officer and employee accounts to come after the analogous trades are executed for client accounts.

## **XII. Brokerage Practices**

### *Selecting Broker-Dealers*

Parkview Advisors uses independent brokers and dealers to purchase and sell securities for client accounts. In selecting brokers and dealers to effect client transactions, we try to obtain for clients: (i) the prompt execution of client transactions while market conditions still favor the transaction and (ii) the most favorable net prices reasonably obtainable. This is called “best execution.” In placing orders to purchase and sell equity securities, we select brokers that we believe will provide the best overall qualitative execution given the particular circumstances. A broker may provide more favorable terms and a higher quality of service to customers who place a higher volume of transactions through that broker. Accordingly, to obtain the benefits of higher volume trading for clients, we may place a large portion of client equity transactions through a limited number of brokers that meet our quality standards. When selecting a new equity broker, we conduct a due diligence review of the broker to evaluate whether the broker is likely to provide best execution. We may consider any of the following factors:

- The quality of services provided (including commissions, which may not be the lowest available but which ordinarily will not be higher than the generally prevailing competitive range).
- The extent of coverage of the various markets Parkview Advisors trades in.
- The broker’s ability to communicate effectively with us.
- The broker’s ability to execute and settle difficult trades.
- Whether or not the broker offers lower cost electronic trading.
- The broker’s clearance and settlement efficiency.
- Whether or not the broker can handle our range of order sizes.
- The broker’s ability to maintain confidentiality and anonymity.
- The reputation of the broker.
- The stability and financial strength of the broker.

The Chief Compliance Officer reviews the due diligence performed and approves or rejects the selection of each broker. On a regular basis, we monitor and document the services provided by the approved brokers, the quality of executions and research, commission rates, the overall brokerage relationship, and any other issues. We will periodically reconsider whether placing a large portion of client trades through a particular broker continues to be in the best interest of our clients.

Fixed income securities (*i.e.* bonds) are generally traded in an over-the-counter market. In this market, bond dealers place bids and make offers to buy and sell bonds on a net basis

with no stated commission plus accrued interest. Any commission or net mark-up is implied by the difference or “spread” between the price the dealer purchases the bond for and the price the dealer sells the bond at. A new issue bond is sold to purchasers at a net price with a fixed sales credit paid to the underwriter by the issuers of the bond. We maintain an approved list of fixed income trading partners. On a regular basis, we monitor our relationships with dealers.

### *Swiss Based Custodians*

Brokerage for transactions involving assets held at Swiss banks generally must be made through the broker-dealer specified by the custodian bank. Each Swiss custodian bank acts as a broker-dealer itself and/or maintains relationships with designated broker-dealers (including potentially an affiliate of the custodian bank). Parkview Advisors effectuates security transactions through the custodian or the broker or dealer designated by the custodian bank selected by the client. In such cases, Parkview Advisors cannot guarantee that the client will receive best execution or the best commissions because Parkview Advisors does not control these factors. Clients should be aware of the factors outlined below under the heading *Directed Brokerage* as these factors also apply with respect to assets maintained at Swiss banks. Clients also should be aware of the potential that the broker-dealer used for transactions may not be a registered broker-dealer under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”).

### *Client Directed Brokerage*

A client may direct Parkview Advisors to use a particular broker or dealer who has an existing relationship with or provides custodial or other services to a client. Parkview Advisors requires any directed brokerage instructions to be in writing unless such arrangement is inferred in the context of the custodian’s brokerage limitations. Before choosing to enter into a directed brokerage arrangement, clients should be aware of the following disadvantages:

- Parkview Advisors will not be able to negotiate commission rates with the designated broker because we will not have the negotiating leverage that results from the ability to trade away from a designated broker.
- Directed brokerage may cost clients more money. Directed brokerage clients may pay higher commission rates than those paid by other clients, may receive less favorable trade executions and may not obtain best execution on their transactions.
- Directed brokerage accounts will not be able to participate in aggregated or block transactions with other clients. This will preclude directed brokerage accounts from obtaining the volume discounts or more favorable terms that might be available from aggregated transactions.
- If we are placing orders in the same security for both directed brokerage clients and clients that use other brokers, we will usually place orders for directed brokerage clients after it has placed orders for other clients.

*Decision Making Process; Balancing the Interests of Multiple Client Accounts*

In making the decision as to which securities are to be purchased or sold and the amounts thereof, Parkview Advisors is guided by the general guidelines set up at the inception of the adviser-client relationship in cooperation with the client and a periodic review of the asset allocation. These general guidelines cover such matters as the relative proportion of debt and equity securities to be held in the portfolio, the degree of risk which the client wishes to assume and the types and amounts of securities to be held in the portfolio. Parkview Advisors' authority may be further limited by specific instructions from the client, which may restrict or prohibit transactions in certain securities.

Parkview Advisors may manage numerous accounts with similar or identical investment objectives or may manage accounts with different objectives that may trade in the same securities. Despite such similarities, portfolio decisions relating to client investments and the performance resulting from such decisions may differ from client to client. Parkview Advisors will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible clients, particularly if different clients have selected different investment profiles, have materially different amounts of capital under management with Parkview Advisors or different amounts of investable cash available. In certain instances such as purchases of less liquid publicly traded securities (as some small cap securities frequently are) or oversubscribed public offerings, it may not be possible or feasible to allocate a transaction pro rata to all eligible clients, especially if clients have materially different sized portfolios. Therefore, not all clients will necessarily participate in the same investment opportunities or participate on the same basis.

*Use of Soft Dollars*

Parkview Advisors may maintain soft dollar arrangements, and to the extent it does it will only do so in accordance with the conditions of the safe harbor provided by Section 28(e) of the Exchange Act. Section 28(e) is a "safe harbor" that permits an investment manager to use brokerage commissions or "soft dollars" to obtain research and brokerage services that provide lawful and appropriate assistance in the investment decision-making process.

Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data, certain valuation and pricing data and economic data); and advice from brokers on order execution.

Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an investment adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self-regulatory organization such as comparison services, electronic confirms or trade affirmations.

### *Trade Errors*

Although the Parkview Advisors' goal is to execute trades seamlessly in the manner intended by the client and consistent with its investment decisions, Parkview Advisors recognizes that errors can occur for a variety of reasons. Parkview Advisors' policy in dealing with such errors is to:

- Identify any errors in a timely manner.
- Correct all errors so that any affected account is placed in the same position it would have been in had the error not occurred.
- Incur all costs associated with correcting an error (or to pass the costs on to the broker, depending on which party is at fault). Costs from corrective actions are not to be passed on to a client.
- Evaluate how the error occurred and assess if any changes in any processes are warranted or if any continuing education is required.

The consequences and the required corrective measures may be different depending upon the nature of the error or the account affected.

## **XIII. Review of Accounts**

All managed accounts are reviewed at least quarterly in an effort to ensure that they remain aligned with the client's investment plan and are positioned appropriately given current market conditions as part of Parkview Advisors' general investment process.

## **XIV. Client Referrals and Other Compensation**

Parkview Advisors may pay fees for client referrals. Such arrangements comply with the conditions and requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940.

Parkview Advisors may receive remuneration from third parties in connection with its investment advisory services. Such remuneration can include referral fees, marketing

fees, discounts, finder's fees, service fees, including shareholder service fees, 12b-1 fees or bonus commissions paid by mutual funds, privately offered funds, insurance products, variable annuities or other investment products paid to Parkview Advisors for recommending an investment, for investing client funds in such product or for marketing assistance or the performance of certain administrative tasks associated with making an investment. Such remuneration received by Parkview Advisors from third parties belongs to the client and if retained by Parkview Advisors will reduce the fee payable by the client to Parkview Advisors.

Parkview Advisors' employees or associated persons may be invited to attend seminars and meetings with the costs associated with such meetings borne by a sponsoring brokerage firm or other party extending the invitation.

## **XV. Custody**

Parkview Advisors typically is given authority to have its fees directly deducted from a client's account. Consequently, Parkview Advisors is deemed to have custody of such funds. Parkview Advisors has established procedures to ensure the client's account is held at a qualified custodian in a separate account for each client. The client establishes the bank account directly and therefore is aware of the qualified custodian's name, address and the manner in which investments are maintained. Account statements are prepared by the custodian bank and delivered directly to the client or the client's representative at least quarterly. Generally, these statements include a listing of all valuations and all transactions occurring during the period. Clients should carefully review these statements and when they have questions contact either Parkview Advisors or the custodian bank. The custodian bank also provides the client with all required year-end tax information.

Parkview Advisors also may provide performance information to advisory clients about the client's performance, which may also include a reference to a relevant market index or benchmark. Parkview Advisors may provide reports analyzing the sources of each account's performance, including customary performance attribution and risk measurement statistics such as standard deviations, Sharpe ratios, deviations from benchmark returns, and investments that had the largest positive and negative impacts on performance.

## **XVI. Investment Discretion**

Parkview Advisors accepts discretionary authority to manage client accounts as described above. Clients rarely restrict the authority by which Parkview Advisors may act; however, each client has the opportunity to communicate any form of limitation in writing. In the context of a discretionary mandate, Parkview Advisors makes investment decisions without consulting the client by utilizing its limited power of attorney for the management



of the account maintained at the custodian bank selected by the client. In the context of a nondiscretionary mandate, Parkview Advisors' investment discretion is limited to an advisory role and Parkview Advisors does not implement investment decisions without the approval of the client. Parkview Advisors never has discretionary authority to select a qualified custodian for a client's account.

## **XVII. Voting Client Securities**

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, Parkview Advisors has adopted and implemented written policies and procedures governing the voting of client securities. Parkview Advisors generally does not have the authority to vote client proxies, as disclosed in Parkview Advisors' standard asset management agreement. If Parkview Advisors inadvertently receives any proxy materials on behalf of a client, Parkview Advisors will promptly forward such materials to the client.

Parkview Advisors will, until guidance to the contrary is provided by the SEC and/or such other relevant legal and/or regulatory bodies, employ proxy voting guidelines and proxy voting procedures, outlined in Parkview Advisors' Compliance Manual. Clients may request a copy of these policies and procedures.

Parkview Advisors does not direct client participation in class action lawsuits. Parkview Advisors will determine whether to return any documentation inadvertently received regarding clients' participation in class actions to the sender, or to forward such information to the appropriate clients.

Parkview Advisors will not advise or act on behalf of clients in any legal proceeding, including bankruptcies or securities shareholder class action litigation involving securities held or previously held in client accounts. Accordingly, Parkview Advisors is not responsible for responding to, or forwarding to clients, any class action settlement offers relating to securities currently or previously held in the client account.

## **XVIII. Financial Information**

Parkview Advisors has not been the subject of a bankruptcy petition at any time.