

CHASSON GROUP, INC.

The Chasson Group, Inc.

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This Brochure provides information about the qualifications and business practices of the Chasson Group, Inc. (“Chasson”). If you have any questions about the contents of this Brochure, please contact us at +1(718) 313-7625. 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.

Registration of an 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 Chasson is also available on the SEC’s website at www.adviserinfo.sec.gov.

Item ii – Material Changes

You will receive annually a summary of any material changes to this and subsequent Brochures by March 29th, which is 120 days after the close of our business' fiscal year of December 31st. We may further provide other ongoing disclosure information about material changes as necessary.

Our Brochure may be requested by phoning +1(718) 313-7625 or emailing Info@ChassonGroup.com. Additional information about Chasson is also available via the SEC's web site at www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

Advisory Services

Chasson provides investment advisory services on a discretionary basis to a broad range of clients, including corporate pension plans and profit-sharing plans, public pension funds (e.g., state and municipal government entities), Taft-Hartley plans, healthcare organizations, endowments, foundations, high-net-worth investors, sub-advised accounts, other pooled investment vehicles, and retail investors in various wrap fee programs. We also intend to provide non-discretionary investment advice to various wrap unified managed account programs. *(Please see “Item 7 – Types of Clients” for more information.)*

Investment Strategies and Product Types

Chasson offers investment management services covering a range of U.S. securities, including large-cap, small/mid-cap, small-cap, micro-cap, balanced, fixed income, and long/short strategies. *(Please see “Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss” for more information.)*

Chasson provides model portfolios to certain plan sponsors, who use them as a basis for trades that they execute in the accounts of their clients.

Chasson offers separately managed account portfolio primarily to institutional and high net-worth investors. Accounts are subject to specified investment minimums.

Chasson offers a host of other alternative forms of corporate financing and consulting services.

We will use the same macro investment process to manage our institutional accounts and wrap accounts. There may, however, be differences in the management of wrap accounts, as wrap accounts are often affected by tax considerations. They may have fewer securities positions and more varying cash levels due to frequent inflows and outflows compared to institutional accounts. The lower cash volatility in institutional accounts allows for more consistent management and less potential for having to sell securities to raise cash in inopportune times.

Investment Types

For equity strategies, we intend to invest primarily in common stocks that trade on national exchanges, including the NYSE and NASDAQ, and may purchase American Depositary Receipts (“ADRs”). As an alternative to holding cash, we may invest in exchange-traded funds (“ETFs”) when permitted by client guidelines. Preferred stocks, debt securities, and derivatives are purchased only on a limited basis, but may be held as a greater portion of a portfolio if received in-kind or in a distribution or other transaction.

Investments in fixed income and balanced portfolios will include U.S. Treasury and agency securities and U.S. dollar-denominated investment grade bonds, which includes corporate and municipal bonds (as applicable). We intend to invest primarily in securities whose underlying issuer rating from at least one of the two major rating agencies (Moody’s and Standard & Poor’s) is “BBB” or better.

Customization

When Chasson works certain with certain institutional separate account clients a more tailored account management approach may be taken because of client-specified guidelines and restrictions. At the inception of the client relationship, each of our clients will execute an investment management agreement, which sets forth the investment objectives and any investment restrictions that will be applicable to our management of the assets in the client's account. Clients may also specify their needs concerning other customizable services, including proxy voting, client reporting, client-directed brokerage arrangements, and the use of commissions to purchase third-party research services (soft dollar commissions).

Subject to any limitations that may be specified under a wrap sponsor's program, clients investing in retail, separately-managed accounts may impose reasonable restrictions, such as blocking individual securities, or groups of securities based on social restrictions. Typically, applicable account restrictions are communicated to Chasson by the program sponsor and/or the client's financial adviser at the time the account is opened and as needed when the client wishes to make changes.

Accounts with certain client-specified restrictions may have transactions executed separately and after accounts without restrictions, which may result in differences in the availability, price, and allocation of securities and may cause performance dispersion among accounts.

Principal Ownership

The Chasson Group, Inc. is a "C Corporation" formed in the state of Delaware, in 2006, and is wholly-owned by Charles T. Lawrence. Mr. Lawrence is the sole principal owner and directly owns 100% of all Chasson shares.

Assets Under Management

As of February 28, 2012, Chasson has no assets under management, however Chasson reasonable believes that within 120 days of SEC approval of our application to be a federally register Investment Adviser the company will have at minimum of \$100 million in discretionary assets under management. If this minimum is not reach then Chasson will withdraw its application as a Federal regulated investment adviser.

Item 5 – Fees and Compensation

The fees charged by Chasson vary for its clients depending on the type and size of the account and other conditions. We primarily manage accounts from which we receive asset-based management fees. However, we also manage accounts that have a base fee component, which is not tied to performance, and a performance fee component. *(Please see "Item 6 – Performance- Based Fees and Side-By-Side Management" for more information.)*

The specific manner in which fees are charged by Chasson is established in a client's written agreement with Chasson or pursuant to the terms of the client's agreement with a wrap sponsor or platform provider, as the case may be.

Institutional Separate Accounts

The timing of the fee payment and basis for such fee depends on Chasson agreement with the client. Typically, Chasson bills fees on a monthly basis, although clients may also elect to be billed quarterly or annually. Clients may elect to be billed in advance or in arrears of each billing period. Fees are generally based on the asset value of the account as of the last business day of each quarter or month, as applicable. For certain accounts, the fee is based on the average assets in the account during such quarter or month.

To calculate advisory fees, Chasson generally relies on prices provided by third-party pricing services, custodians, broker-dealers, or platform sponsors for purposes of valuing portfolio securities held in client accounts. Chasson may, on occasion, be required to “fair value price” a security when a market price for that security is not readily available or when Chasson has reason to believe the market price is unreliable.

Management fees are normally prorated for capital contributions and withdrawals during the applicable billing period. Accounts initiated or terminated during a billing period are charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Clients may choose to be billed directly or to have Chasson bill the custodian bank, with a copy of the invoice sent to the client. Bills are normally sent within 30 days of the end of each month. It is expected that the fee will be paid within 30 days after receipt.

Chasson’s fees are exclusive of brokerage commissions, transaction fees, custody fees, and other related costs and expenses that are incurred by the client. Item 12 further describes the factors that Chasson considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation, including their commission rates.

Chasson has set a standard per annum investment management fee, the fee schedules are listed below. Fee schedules differing from these standard schedules may be negotiated on a client-by-client basis. The minimum account size ranges from \$1 million to \$10 million, although we may accept smaller investments at our discretion.

Performance fees for certain accounts are also available, subject to applicable law, and are negotiable. (See “*Item 6 – Performance-Based Fees and Side-By-Side Management*” for more information.)

Annual Management Fee	
Account Size	Annual Fee Rate
\$1 Million to \$5 Million	2.0%
\$5 Million and Up	1.5%

Wrap Accounts

Chasson's investment advisory services are also available through various "wrap fee" programs sponsored by financial services companies or offered by financial advisers whose programs are hosted by a wrap platform provider.

A client in a wrap program typically receives professional investment management of account assets through one or more investment managers participating in the program. Clients in a wrap fee program usually pay a single, all-inclusive (or "wrap") fee charged by the sponsor based on the value of the client's account assets for asset management, and trade execution, custody, performance monitoring, and reporting through the sponsor. The sponsor and/or financial adviser typically assist the client in defining the client's investment objectives based on information provided by the client, aids in the selection of one or more investment managers to manage the client's account, and periodically contacts the client to ascertain whether there have been any changes in the client's financial circumstances or objectives that warrant a change in the management of the client's assets.

The sponsor in turn typically pays Chasson a portion of the wrap fee based on client assets invested in the applicable strategy or strategies that we manage in the wrap program. Fees are generally based on the average monthly balances at the end of each month and may be paid in advance or in arrears as agreed to between the sponsor and Chasson. In certain cases, the applicable fee rate paid by the sponsor is based on the total assets managed by Chasson in the sponsor's wrap program rather than on a per-account basis.

A wrap program client may be able to obtain some or all of the services available through a particular wrap program on an "unbundled" basis through the sponsor of that program or through other firms. Depending on the circumstances, the aggregate of any separately-paid fees may be lower (or higher) than the wrap fee charged in the wrap program.

Chasson offers model portfolios to certain plan sponsors, who may use them as a basis for trades that they execute in the accounts of their clients. We do not maintain a standard fee schedule for such services. Actual fees are individually negotiated and vary due to particular circumstances, including differing levels of servicing.

Other Fees and Expenses

When holding cash-equivalent funds, accounts may be charged fund management fees and other fund expenses which are in addition to the fee paid to Chasson or to the wrap program sponsor, as the case may be. Such fees are disclosed in the prospectus or offering document for each such fund. In no case will these funds be affiliated with Chasson. Chasson does not receive any portion of any fees, commissions, costs, and expenses incurred by an investment in a cash-equivalent fund.

From time to time, when we believe it is in the best interests of our clients, cash may be invested in certain ETFs, as permitted by account guidelines. The adviser to an ETF typically receives a fee that is paid by the ETF. These fees and other expenses of the ETF are in addition to the fee paid to Chasson or to the wrap program sponsor, as the case may be. In no case will these ETFs be affiliated with Chasson. Chasson does not receive any portion of any fees, commissions, costs, and expenses incurred by an investment in an ETF.

Item 6 – Performance-Based Fees and Side-By-Side Management

Chasson will receive performance-based fees from certain accounts. We also will manage certain accounts that charge different fees on a side-by-side basis. This could create potential conflicts when making trade allocation and trade order decisions. Accordingly, Chasson has implemented trade allocation and trade order rotation procedures designed to treat client accounts fairly and equitably over time. *(Please see “Item 12 – Brokerage Practices” for more information.)*

Performance-Based Fees

In some cases, Chasson will enter into performance fee arrangements with “qualified clients,” as that term is defined in Rule 205-3 under the Investment Advisers Act of 1940 (“Advisers Act”). Such fees are subject to individualized negotiation with each such client. Chasson will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Advisers Act in accordance with the available exemptions thereunder, including the exemption referenced above that is set forth in Rule 205-3.

The management fee for these accounts consists of two parts: 1) a base fee component, which is not tied to performance, and 2) a performance fee component, based on performance that exceeds the relevant account benchmark. In measuring clients' assets for the calculation of performance-based fees, Chasson includes realized and unrealized capital gains and losses.

Chasson may have both performance-based fee accounts and asset based-fee accounts within a particular investment strategy. Performance-based fee arrangements could create an incentive for a manager to recommend investments that are riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements could also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. We believe that we effectively mitigate this potential conflict of interest by using batched trades, whenever possible, to execute orders for multiple accounts in a strategy, by using trade order rotation when orders for certain accounts cannot be combined in a single trade, and by implementing compliance policies and procedures that are designed to treat all clients fairly and equally.

Side-By-Side Management

Investment teams and individual portfolio managers may manage multiple accounts, including separate accounts, commingled funds, and wrap accounts, using the same or a similar investment strategy (i.e., side-by-side management). The simultaneous management of these different investment products could create certain conflicts of interest as the fees for the management of certain types of products are higher than others. We also manage accounts in which Chasson and/or its personnel may have an interest. Chasson has an affirmative duty to treat all accounts fairly and equitably over time and maintains policies and has implemented policies and procedures designed to comply with that duty.

Although Chasson manages numerous accounts with similar or identical investment objectives, or may manage accounts with different objectives that trade in the same securities, the investment decisions relating to these accounts, and the performance resulting from such decisions, may differ from account to account. For example, different client guidelines and restrictions may result in different investment decisions between accounts. In addition, we will not necessarily purchase or sell the same securities at the same time or in the same proportionate amounts for all eligible accounts if certain

accounts have materially different amounts of investable cash or liquidity needs. Other factors that may result in different investment decisions include client-directed brokerage arrangements, soft dollar restrictions, and the sponsor-mandated execution of trades through specified broker-dealers in connection with certain wrap programs, all of which limit Chasson's brokerage discretion.

Item 7 – Types of Clients

Chasson will provide investment advisory services to a broad range of clients, including corporate pension plans and profit-sharing plans, public pension funds (e.g., state and municipal government entities), Taft-Hartley plans, healthcare organizations, endowments, foundations, high-net-worth investors, sub-advised accounts, other pooled investment vehicles, retail investors, and various wrap fee programs. We also provide non-discretionary investment advice to various wrap unified managed account programs.

Conditions for Managing Accounts

Our minimum investment size varies by investment strategy and investment vehicle. In determining minimum investment sizes, we consider the minimum amount required to establish a diversified portfolio.

Generally, in the case of institutional separate accounts, we require each client to execute an investment management agreement that details the nature of the discretionary investment advisory authority given to Chasson. Account minimums range from \$1 million to \$5 million, depending on the selected investment strategy, although we may accept smaller investments at our discretion.

In the case of wrap programs for which we provide management services, account minimums are generally established by the program sponsor. Chasson has the discretion to decline an account if the assets intended to be allocated to us for management are insufficient to implement our investment strategy in an effective manner.

(Please see "Item 4 – Advisory Business, Customizations" for more information.)

Required Client Information

We require prospective investors to provide certain information and/or records necessary to determine whether they meet the qualifications to invest. We may also require customer identification information to perform reviews required by the Office of Foreign Assets Control to safeguard against money laundering and other national security concerns.

Our wrap clients are directed to us by wrap sponsors and financial advisors, who typically assist clients in defining their investment objectives, based on information provided by the clients, and aid in the selection of one or more investment managers to manage the clients' accounts. Wrap sponsors provide copies of certain client information to Chasson. However, Chasson is not responsible for determining the suitability of investments directed to us for management.

Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss

Equity Strategy Overview

At Chasson, we believe the best investment opportunities occur in stocks that are attractively valued with improving business prospects because investors in such stocks can benefit both from rising expectations and from expanding valuations. We attempt to avoid both cheap stocks that we believe have no catalyst for outperformance and momentum stocks that lack valuation support.

We believe that a combination of quantitative and fundamental research is the best way to identify attractive stocks. Our ranking system gives us a time-tested, objective tool for identifying stocks that are likely to outperform or underperform, based on known, quantifiable data on factors such as price-to-cash-flow and revisions to earnings estimates. The weightings of these factors are based on a statistical analysis of their historical ability to predict relative performance. The ranking system gauges the relative attractiveness of every stock in our selection universe in a systematic manner. Fundamental research conducted by our investment professionals complements the ranking system by considering factors that are not quantifiable. In analyzing a stock, we review the company's financial statements and news releases, as well as third-party research reports, to develop an informed opinion on its business prospects and an understanding of potential risks. We also compare a company to its peers on industry-appropriate valuation measures, risk characteristics and growth potential to form a fundamental opinion on its attractiveness.

Finally, we believe in controlling risk by constructing well-diversified portfolios. Our strength is in stock selection, so our goal is to maximize exposure to attractive stocks while controlling exposure to other factors that influence relative performance. To aid in monitoring and controlling risk factors, we use a proprietary risk model, as well as third-party risk models.

More detailed information about specific equity strategies is set forth below.

Chasson U.S. Large-Cap Core

The investable universe for Chasson's Large-Cap Core strategy includes all stocks in the Russell 1000 Index and others that are among the largest 1,000 U.S. stocks by market capitalization, that are included in the S&P 500 Index, or that are already held in portfolios. The strategy's objective is to outperform the S&P 500 Index by focusing on stocks that are attractively valued with improving prospects.

Chasson U.S. Large-Cap Value

The investable universe for Chasson's Large-Cap Value strategy includes all stocks in the Russell 1000 Value Index and others that are among the largest 1,000 U.S. stocks by market capitalization, that are included in the S&P 500 Index, or that are already held in portfolios. The strategy's objective is to outperform the Russell 1000 Value Index by focusing on stocks that are attractively valued with improving prospects.

Chasson U.S. Large-Cap 130/30

The investable universe for Chasson's Large-Cap 130/30 strategy includes all stocks in the Russell 1000 Index and others that are among the largest 1,000 U.S. stocks by market capitalization, that are included in the S&P 500 Index, or that are already held in portfolios. The strategy's objective is to outperform the Russell 1000 Index by allowing limited shorting and using moderate leverage. The strategy seeks higher risk-adjusted returns by using a disciplined stock-selection and portfolio construction process that buys stocks expected to outperform the benchmark, while selling short stocks that are expected to underperform.

Chasson U.S. Small/Mid-Cap Core

The investable universe for Chasson's Small/Mid-Cap strategy includes all stocks in the Russell 2500 Index and others whose market capitalizations are appropriate for a small/mid-cap mandate or that are already held in portfolios. The strategy's objective is to outperform the Russell 2500 Index by focusing on stocks that are attractively valued with improving prospects.

Chasson U.S. Small/Mid-Cap Value

The investable universe for Chasson's Small/Mid-Cap Value strategy includes all stocks in the Russell 2500 Value Index and others whose market capitalizations are appropriate for a small/mid-cap mandate or that are already held in portfolios. The strategy's objective is to outperform the Russell 2500 Value Index by focusing on stocks that are attractively valued with improving prospects.

Chasson U.S. Small-Cap Core

The investable universe for Chasson's Small-Cap Core strategy includes all stocks in the Russell 2000 Index and others whose market capitalizations are appropriate for a small-cap mandate or that are already held in portfolios. The strategy's objective is to outperform the Russell 2000 Index by focusing on stocks that are attractively valued with improving prospects.

Chasson U.S. Small-Cap Value

The investable universe for Chasson's Small-Cap Value strategy includes all stocks in the Russell 2000 Value Index and others whose market capitalizations are appropriate for a small-cap mandate or that are already held in portfolios. The strategy's objective is to outperform the Russell 2000 Value Index by focusing on stocks that are attractively valued with improving prospects.

Chasson U.S. Small-Cap Growth

The investable universe for Chasson's Small-Cap Growth strategy includes all stocks in the Russell 2000 Growth Index and others whose market capitalizations or style (based on stock price correlation to the index) are appropriate for a small-cap growth mandate or that are already held in portfolios. The strategy's objective is to outperform the Russell 2000 Growth Index by focusing on stocks that are attractively valued with improving prospects.

Fixed Income Strategy Overview

Chasson invests in U.S. Treasury and agency securities and U.S. dollar-denominated investment grade bonds, including corporate and municipal bonds (as applicable) for taxable and tax-exempt fixed income portfolios and for balanced portfolios. We invest primarily in securities whose underlying issuer rating from at least one of the two major rating agencies (Moody's and Standard & Poor's) is "BBB" or better.

The objective of our fixed income strategies is to provide total return by investing in high-quality bonds with attractive risk/return characteristics. For taxable clients, we seek to maximize current after-tax income. Securities are considered for inclusion in the portfolio based upon credit quality, maturity structure and their valuation. The selection of the target duration is determined by our views on the direction and level of interest rates.

Chasson U.S. Balanced

Chasson's U.S. Balanced strategy seeks to provide both capital appreciation and income, by investing in a portfolio of both equity and fixed-income securities. We offer U.S. Balanced account clients a customized blend of our U.S. Large-Cap Core strategy and either our U.S. Taxable or U.S. Tax-Exempt Fixed-Income strategy. See above for a description of our U.S. Large-Cap Core strategy.

Below is a description of our Taxable and Tax-Exempt Fixed Income strategies, which can be selected as a primary investment strategy or as a component of a balanced account. The Taxable and Tax-Exempt Fixed Income strategies are offered in certain wrap programs exclusively.

Chasson U.S. Taxable Fixed Income

Chasson's U.S. Taxable Fixed Income strategy uses a broad universe of U.S. Treasury, agency, and investment-grade corporate bonds. Bonds purchased for the portfolios typically have maturities of 3 months to 10 years. The strategy seeks to outperform the Barclays Capital U.S. Intermediate Government/Credit Index by managing the overall duration and credit quality of the portfolios and by purchasing taxable securities at attractive prices.

Chasson U.S. Tax-Exempt Fixed Income

Chasson's U.S. Tax-Exempt Fixed Income strategy invests in a broad universe of tax-exempt securities of U.S.-based bond issuers. Certain portfolios may also invest in U.S. Treasury, agency, and investment-grade corporate bonds, as specified in client guidelines. Portfolios are normally weighted toward general obligation and essential-service municipal bonds. The remainder of the holdings is usually backed by revenue streams from established, high-quality, transportation, higher-education, and other types of tax revenues. Bonds purchased for the portfolios typically have maturities of 3 months to 15 years. The strategy seeks to outperform the Barclays Capital 1-10 Year Municipal Blend Index by managing the overall duration and credit quality of the portfolios, and by purchasing tax-exempt securities at attractive prices.

Risk Considerations

All of the strategies listed above are speculative and have an inherent risk of loss due to investing in marketable securities like stocks and bonds. Investing in securities involves risk of loss that clients

should be prepared to bear. No guarantee, assurance or representation is made that any strategy will achieve its investment objective. To mitigate risk, clients should determine whether their entire investment portfolio is properly diversified and that their overall asset allocation is appropriate. Certain risk considerations are discussed in greater detail below.

Securities Risks in General.

Investments in securities generally involve a significant degree of risk. Price changes can be volatile and market movements are difficult to predict. The value of an individual security or particular type of security can be more volatile than, and can perform differently from, the market as a whole. The success of any investment strategy depends on Chasson's ability to identify, select, and realize investments consistent with an investment strategy's objective.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to sell. Although most of the securities in which we invest are generally liquid at the time of investment, they may become illiquid after purchase, such as during periods of market turmoil. Illiquid securities may make it more difficult to value a portfolio, especially in changing markets. If a portfolio is forced to sell illiquid investments to meet redemptions or for other cash needs, the portfolio may suffer a loss.

Securities of small-cap companies may not be traded in volumes typical of securities of larger companies. Because small-cap companies normally have fewer shares outstanding than larger companies, it may be more difficult to buy and sell significant amounts of small-cap company shares without an unfavorable impact on prevailing market prices. Thus the securities of small-cap companies are generally less liquid, and subject to more abrupt or erratic market movements than those of larger companies.

Economic Conditions.

Changes in economic conditions such as interest rates, inflation rates, industry conditions, competition, technological developments, political and diplomatic events and trends, war, tax laws and innumerable other factors can substantially and adversely affect the business and prospects of portfolio performance. None of these conditions is within the control of Chasson. The profitability of a portfolio depends to a great extent on correct assessments of the future course of price movements of securities and other investments. There can be no assurance that Chasson will be able to accurately predict these price movements. The securities markets have in recent years been characterized by great volatility and unpredictability. With respect to the investment strategies utilized by Chasson, there is always a significant degree of market risk.

Suspensions of Trading.

A public exchange typically has the right to suspend or limit trading in all securities that it lists. Such a suspension could render it impossible for Chasson to liquidate portfolio positions which would thereby be exposed to potential losses. In addition, there is no guarantee that over-the-counter markets, which trade fixed-income securities, will remain liquid enough for the close out of positions.

Financial Difficulties of Institutions and Custodians.

There is a possibility that institutions, including brokerage firms, banks, and sponsors with which we do business, or to which securities have been entrusted for custodial purposes, will encounter financial difficulties that may impair operational capabilities.

Other Activities of Chasson and Potential Conflicts of Interest.

Chasson's, officers and employees who perform services for client portfolios may also perform similar or different services for others and, accordingly, may have conflicts in allocating time, services and functions among the portfolios for which they provide services. In addition, subject to Chasson's approval, they may be permitted to engage in other investment-related activities similar to or different than the investment activities engaged in by the firm.

There is no specific limit as to the number of accounts that may be managed or advised by Chasson. In connection with its trading activities on behalf of portfolios, we may receive compensation for the management of certain portfolios which exceeds that which is received from other portfolios. In such event, Chasson may have an incentive to favor such other portfolios.

The performance of a portfolio could also be adversely affected by the manner in which particular orders are entered or trades are allocated for all such other portfolios. In addition, clients should be aware that Chasson has developed, and will continue to develop, strategies in which the advice given or action taken for some client accounts may differ from the advice given or action taken with respect to other client accounts.

Dependence on Key Individuals.

Management of portfolios is dependent on the experience and expertise of Chasson's investment team. In the event of death, disability, or departure of any such persons, Chasson's business could be adversely affected.

Competition for Investments and Other Strategy Risks.

Although Chasson believes that many investment opportunities exist and will develop which will be suitable for portfolios under our management in connection with seeking to achieve our investment objectives, a number of other investors have similar objectives and may seek many of the same investment opportunities. Although Chasson believes its equity investment approach is distinctive, the identification of attractive investment opportunities is nevertheless difficult, competitive, and involves a high degree of uncertainty and there can be no assurance that sufficiently attractive investment opportunities will be found to achieve the investment objectives. It is possible that the total capitalization of certain investment strategies may become too large to deploy satisfactorily. Limits for our investment strategies are set based on the trading volume and market capitalization of the market segments in which we invest. Capacity limits are subject to change because they are indexed to the market and are reviewed regularly by members of our investment management team. Small-cap strategies have the highest risk in this regard relative to other strategies.

Small and mid-capitalization companies may be subject to greater operational risk relative to larger, well-established companies due to the fact that they may have less management depth, limited financial

resources, smaller revenues, narrower product lines, fewer customers, and greater sensitivity to economic cycles. Additionally, the risk of bankruptcy or insolvency of many small and medium capitalization companies, with the attendant losses to investors, may be higher than for larger companies. In connection with fixed income and balanced portfolios, it may be more difficult for us to obtain certain bonds, especially certain municipal bonds, or to obtain certain bonds at an attractive price relative to larger fixed income managers.

Risks Related to Short Selling.

Chasson's Large-Cap 130/30 strategy engages in short selling which can, in some circumstances, substantially increase the impact of adverse price movements. A short sale is a sale of a security that the portfolio does not own. In order to deliver the security to the purchaser, a purchaser borrows the security, typically from a broker/dealer or a custodian. The portfolio later closes out the position by returning the security to the lender. If the price of the security sold short increases, the portfolio would incur loss; conversely, if the price declines, the portfolio would realize a gain. Although the gain is limited by the price at which the security was sold short, the loss is potentially unlimited. A portfolio's use of short sales may not be successful and may result in greater losses or lower positive returns than if a portfolio held only long positions. A portfolio may be unable to close out a short position at an acceptable price, and may have to sell related long positions at disadvantageous times to produce cash to unwind the short position. In addition, short selling involves higher transaction costs than typical long-only investing.

IPO Risk.

An insufficient amount of securities may be available for purchase in an initial public offering ("IPO") to allocate across all accounts that may invest in such securities. Currently, our Small-Cap Growth is the only strategy in which Chasson would consider purchase of IPOs.

Portfolio Turnover.

Portfolios are actively managed and, under appropriate circumstances, may purchase and sell securities without regard to the length of time held. A high portfolio turnover rate may have a negative impact on performance by increasing transaction costs and may generate greater tax liabilities for clients with taxable accounts.

Reliance Upon Quantitative Tools.

In making investment decisions, we rely in part upon the application of quantitative tools developed by Chasson in determining which stocks to buy and sell. In addition, we use proprietary and third-party models to monitor and control risk in our portfolios. Although we have had success with this approach in the past for other investment accounts under our management, such past success does not ensure that this approach will be a successful one for other portfolios or successful in the future.

Risks of Stock Investing.

Stocks generally fluctuate more in value than bonds and may decline significantly over short time periods. There is a chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The market value of a stock may decline due to general market conditions that are not related to the particular company, such as real or perceived

adverse economic conditions, changes in the outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. A security's market value also may decline because of factors that affect a particular industry, such as labor shortages or increased production costs and competitive conditions within an industry, or factors that affect a particular company, such as management performance, financial leverage, and reduced demand for the company's products or services.

Fixed Income Investment Risks.

Fixed income investments are subject to various risks including:

- Interest rate risk – Prices of bonds tend to move inversely with changes in interest rates. Typically, a rise in interest rates will adversely affect bond prices. The longer a bond's maturity, the greater the interest rate risk.
- Credit risk – This is a risk that an issuer of debt securities or other fixed income obligations will not make timely interest or principal payments on securities when due, or that a bond's price will fall because of an actual or perceived decline in credit quality.
- Call risk – This is a risk that the issuer of a bond may call, or redeem, bonds before their maturity date. If an issuer "calls" its bond during a time of declining interest rates, investors in the bond might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.
- Liquidity risk - When there is little or no active trading market for specific types of securities, it can become more difficult to sell the securities at or near their perceived value. In such a market, the value of such securities may fall, even during periods of declining interest rates.
- Floating and variable rate securities - There is a risk that the current interest rate on floating and variable rate instruments may not accurately reflect existing market interest rates.
- Government securities risk - Not all obligations of the U.S. government, its agencies, and instrumentalities are backed by the full faith and credit of the U.S. Treasury. Some obligations are backed only by the credit of the issuing agency or instrumentality, and in some cases there may be some risk of default by the issuer. Any guarantee by the U.S. government or its agencies or instrumentalities does not apply to the market value of such security. A security backed by the U.S. Treasury or the full faith and credit of the United States is guaranteed only as to the timely payment of interest and principal when held to maturity. In addition, because many types of U.S. government securities trade actively outside the United States, their prices may rise and fall as changes in global economic conditions affect the demand for these securities.
- Municipal bond market risk - The amount of public information available about municipal bonds is generally less than that for corporate equities or bonds. Special factors, such as

legislative changes, and state and local economic and business developments, may adversely affect the yield and/or value of an investment in municipal bonds. Other factors include the general conditions of the municipal bond market, the size of the particular offering, the maturity of the obligation, and the rating of the issue.

- Tax risk – To be tax-exempt, municipal bonds generally must meet certain regulatory requirements. If any such municipal bond fails to meet these regulatory requirements, the interest received by investors from their investment in such bonds will be taxable.

Cash-Equivalent Funds. Generally speaking, cash-equivalent funds seek current income, a stable net asset value per share, and daily liquidity. The net asset value per share of such funds can change in value when interest rates or an issuer's creditworthiness change dramatically. There can be no guarantee that a cash-equivalent fund will always be able to maintain a stable net asset value per share.

Investments in ETFs. From time to time, certain accounts may invest in equity-based ETFs. ETFs are investment companies that are registered under the Investment Company Act, typically as open-end funds or unit investment trusts. Unlike most mutual funds, an ETF has the flexibility of trading intra-day. Because ETF shares trade intra-day, the market determines prices and investors can buy or sell shares at any time that the markets are open. Equity-based ETFs are subject to risks similar to those of individual equity securities, as described above.

Item 9 – Disciplinary Information

As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There are no legal or disciplinary events relating to Chasson.

Item 10 – Other Financial Industry Activities and Affiliations

Chasson Group, Inc., does not hold customer or proprietary accounts funds. Chasson is not registered, nor does it have an application pending to register, as a broker/dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of one of the foregoing types of entities.

Item 11 – Code of Ethics

General

Chasson has adopted a Code of Ethics and Compliance Manual ("Code") that applies to all employees. The Code describes the high standard of business conduct and fiduciary duty Chasson owes to its clients and expects of employees. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, personal securities trading procedures, approval procedures to seek authorization to engage in outside business activities or financial interests, and a policy concerning political contributions, among other things. All employees must acknowledge the terms of the Code at least annually, or as amended.

Prohibition on Insider Trading

Chasson's insider trading policy prohibits the use of material, non-public information and imposes restrictions on the trading of securities on the "Restricted List." Securities on the Restricted List cannot be traded for employee or employee-related accounts or firm-owned accounts. With respect to client accounts, the issuers named on the Restricted List are coded as "prohibited" in the various trading and compliance monitoring systems used by Chasson, although Restricted List securities may be traded in client accounts with approval from the Legal and Compliance Department.

Personal Trading and Trading by Affiliated Accounts

Chasson anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Chasson has management authority to effect the purchase or sale of securities in which Chasson and/or employees, directly or indirectly, have a position of interest ("Affiliated Accounts"). Certain employees of the firm are members of certain proprietary commingled funds managed by Chasson. In addition, Chasson has certain firm-owned accounts.

Chasson's employees and certain persons associated with employees or with Chasson are required to follow Chasson's Code. Subject to satisfying this policy and applicable laws, officers, directors, and employees of Chasson may trade for their own accounts in securities which are purchased for Chasson's clients. The Code is designed to assure that the personal securities transactions, activities and interests of the employees of Chasson 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. Under the Code, certain classes of securities have been designated as exempt transactions based upon a determination that these would materially not interfere with the best interest of Chasson's clients. In addition, the Code requires pre-clearance of many types of transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code 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, and to reasonably prevent conflicts of interest between Chasson and its clients.

Requests for Chasson's Code of Ethics

Chasson's clients or prospective clients may request a copy of the firm's Code by contacting:

By mail: Chasson Group Inc.
630 Third Avenue, 14th Floor
New York, NY 10016
Attention: Compliance Department

By phone: +1(718)313-7625

By email: Info@ChassonGroup.com

Limitations on Principal or Agency Cross Transactions

It is Chasson's policy that the firm will only affect principal or agency cross securities transactions for client accounts after review by senior management to make sure that the transaction is in the client's

best interests. 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 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. Chasson does not trade securities through any affiliated broker/dealer.

Item 12 – Brokerage Practices

Generally, and as described in Item 16, Chasson is retained on a discretionary basis and is authorized to determine and direct execution of transactions within the client's specified investment objectives. Some clients limit Chasson's authority in terms of the selection of broker/dealers in favor of their own brokerage arrangements. Chasson has a fiduciary duty to seek best execution and to allocate trades fairly and equitably among clients over time.

Brokerage Relationships and Selection Criteria for Broker/Dealers

Chasson has adopted policies and procedures regarding the best execution of trades for client accounts. Generally, Chasson places client orders in listed and over-the-counter securities by routing such orders to the institutional desks of selected brokers, Electronic Communications Networks, and Alternative Trading Systems, including algorithmic trading systems, and crossing networks.

Chasson's objective in selecting brokers and in placing trades is to seek to obtain a total cost or proceeds in each transaction which is the most favorable for the client under the circumstances. The best net price, giving effect to brokerage commissions, spreads, and other costs (as applicable) is an important factor in this decision, but a number of other judgmental factors are considered as they are deemed relevant under the circumstances. These factors include the full range and quality of a broker's services in placing trades, including the following, as applicable:

- ability to find liquidity in the market while also minimizing market impact
- ability to accurately communicate the nature of the market in a particular security
- ability to obtain timely execution and deliver timely execution reports
- the size and volume of the broker's order flow
- efficiency and accuracy of clearance settlement, a history of low trade errors, and the willingness to correct mistakes
- ability to handle difficult trades, including block trades and odd-lot trades
- responsiveness to Chasson's orders
- recognition of the importance in retaining anonymity of Chasson in making trades
- accommodation of special needs, including the broker's willingness to step-out transactions
- reliability, reputation, integrity, and financial condition
- research and other services provided to Chasson that are expected to enhance Chasson's general portfolio management capabilities
- the frequency and amount of price improvement

Brokerage firms must submit their financial statements for review prior to being added to Chasson's Approved Broker List, and annually thereafter. Under certain circumstances, if Chasson believes that it is in the client's best interest, Chasson may select a broker not on the Approved Broker List for a specific trade, subject to internal approval in accordance with Chasson's policies and procedures.

Chasson has implemented a series of internal controls and procedures to address the conflicts of interest associated with its brokerage practices. To determine that it is receiving best execution for its transactions over time, Chasson will periodically obtain information as to the general level of commission rates being charged by the brokerage community and will periodically evaluate the overall reasonableness of brokerage commissions paid on client transactions by reference to such data. To the extent Chasson has been paying higher commission rates for its transactions, Chasson will determine if the quality of execution and the services provided by the broker/dealer justify these higher commissions. Chasson may remove a broker/dealer from the list of firms approved for trading. In addition, based in part on this best execution analysis, Chasson seeks to establish target allocations by broker/dealer on an annual basis. In addition, Chasson reviews a quarterly trade cost analysis to consider the effectiveness of our trading process. A third-party service provider provides relative analysis of Chasson's trading activity versus similar market activity in the same timeframe. Chasson's Investment Committee reviews the analysis and discusses any trends noted on a quarterly basis. The Investment Committee also reviews activity in the accounts, including portfolio turnover.

Directed Brokerage Arrangements

Chasson ordinarily exercises discretionary authority over a client's account, including the selection of brokers used to execute transactions. In certain circumstances, Chasson will accept instructions from clients to execute all or a percentage of trades through specific brokers (each such arrangement, a "Directed Brokerage Arrangement"). Since, in some cases, Chasson has not negotiated the commission rate and may not be able to obtain volume discounts in such cases, the commission rate charged by the directed broker may be higher than what Chasson could receive from another broker/dealer. In addition, the client may be unable to obtain the most favorable price on transactions executed by Chasson as a result of our inability to aggregate the trades from this account with other client trades. In some situations, Chasson may not execute a client's securities transactions with its directed broker until non-directed brokerage orders are completed. Since the price of securities may be affected by the time an order is placed, the execution of the purchase and sale through a Directed Brokerage Arrangement (other than a "step-out") may not be as favorable as the price received when the order is "batched" with other clients. Accordingly, clients who direct commissions to specified broker/dealers may not generate returns equal to clients that do not direct commissions. Clients who direct brokerage should understand that similar brokerage services may be obtained from other broker/dealers at lower costs and possibly with more favorable execution.

Directed Brokerage Arrangements generally fall into three categories:

- Trades relating to certain Directed Brokerage Arrangements that can be filled through "step-outs." The broker executing the trade agrees to clear and settle the orders for clients with such Directed Brokerage Arrangements through the "directed" broker.
- Another type of Directed Brokerage Arrangement involves institutional separate accounts that direct 100% of their trades to a broker.

- A third type of Directed Brokerage Arrangement relates to wrap accounts. In such cases, the wrap sponsor, or a broker designated by the wrap sponsor, executes trades for the program. Under the economic arrangements of the program, clients typically pay a single fee, which includes the cost for professional management, commissions, custody and accounting-related and other services. Consequently, these orders are executed after orders are placed under the other above two categories.

Step-Outs

Chasson may use “step-out trades” when we determine that it may facilitate better execution for certain client trades. Step-out trades are transactions which are placed at one broker/dealer and then “stepped out” by that broker/dealer to another broker/dealer for credit. Step-out trades may benefit the client by finding a natural buyer or seller of a particular security so that Chasson can trade a larger block of shares more efficiently. Unless directed otherwise by the client, Chasson may use step-out trades for any client account.

Chasson may use step-out trades to accommodate a client’s directed brokerage mandate. In the case of directed brokerage accounts, trades are often executed through a particular broker/dealer and then “stepped-out” to the directed brokerage firm for credit. In circumstances where Chasson has followed the client’s instructions to direct brokerage, there can be no assurance that Chasson will be able to step-out the trades or, if it is able to step-out the trades, that it will be able to obtain more favorable execution than if it had not stepped-out the trades.

Step-out trades may also be used by Chasson in order to generate soft dollar credits, provided that Chasson has determined that such transactions are consistent with the principles of best execution and applicable regulations.

“Soft Dollar” Policy

In accordance with Section 28(e) of the Securities Exchange Act of 1934, as amended, Chasson may pay higher commissions to brokerage firms that provide investment research products and services than to firms which do not provide such services. The use of client brokerage to obtain such investment research products and services in addition to execution services is referred to as “soft dollars.” Chasson’s decision to pay such commissions is based on its good faith determination that the commission is reasonable in relation to the value of the brokerage and/or research provided by the broker to Chasson.

Chasson believes that the research received is, in the aggregate, of assistance to Chasson in fulfilling its overall responsibilities to its clients. As a general matter, such research is used to service all of Chasson’s accounts. However, each and every research product or service may not be used to service each and every account managed by Chasson, and brokerage commissions paid by one account may apply towards payment for research products and services that may not be used in the service of that account.

Chasson receives research products and services from unaffiliated brokers under soft dollar arrangements that include proprietary as well as third-party research. The receipt of investment research is an integral supplement to Chasson’s own research and analysis and allows Chasson to obtain the views and information of individuals and research staffs of other firms who have special expertise on certain companies, industries, areas of the economy or market factors. Research products

and services also include analyst contact, access to earnings and other financial databases, benchmark information, and analytical software.

By way of example,

- Institutional Brokers Estimate System – a service that provides earnings estimates for U.S. companies;
- FactSet – an online database that provides financial and market information, and analytic tools and access to investment research; and
- Compustat – a database that provides fundamental information for securities and market data.

From time to time, certain clients may request that Chasson not generate soft dollar credits on trades executed for their accounts. While Chasson may accommodate such requests in its discretion, trades for these clients generally do not experience lower transaction costs. In addition, the trading process for these clients may be adversely affected in other ways, including that the client may not participate in aggregated orders with clients that have not made such a request, therefore preventing the client from receiving the price and execution benefits of the aggregated order. In addition, and as with other directed or customized brokerage arrangements, the positions of these accounts in trade ordering and trade rotation may be impacted. Chasson reserves the right to reject or limit client requests of this type, and clients may be charged a premium for such arrangements.

Chasson has adopted policies and procedures relating to the review of best execution and soft dollar commissions. Periodically, Chasson's Trade Management Oversight Committee reviews trade management practices, including soft dollar arrangements, current commission rates, transaction analysis reports, and broker selection generally. They also review the various sources of research products and services to determine which brokers provide the most useful information. A list of these brokers is provided to Chasson traders as guidance to help determine brokerage allocation. Broker usage versus targets is reviewed periodically, but all orders are placed on a best-execution basis, regardless of the rankings of the various research firms. Chasson has also instituted internal controls to monitor compliance with its trading practices on a day-to-day basis. In addition, Chasson's Investment Committee, which meets quarterly to review all accounts by strategy type, reviews soft dollar use versus targets as well as other investment and trading practices.

Order Aggregation ("Batching") and Allocation

Chasson may purchase or sell the same securities for a number of client accounts simultaneously. When possible, orders for the same security are aggregated or "batched" to facilitate best execution and to avoid favoring one client over another participating client. Nevertheless, the result of this allocation policy is that certain accounts pursuing the same strategy may not participate equally in each order. It is Chasson's policy, however, that allocation decisions are made in a manner that treats all accounts fairly and equitably over time.

Any orders placed for execution on an aggregated basis are subject to Chasson's order aggregation and allocation policy and procedures, as summarized below:

- The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment

objectives and with any investment guidelines or restrictions applicable to the client's account. Generally, all accounts within a particular investment strategy are managed to have similar weightings in securities, subject to client-imposed restrictions and limitations.

- The portfolio manager must reasonably believe that the order aggregation will benefit each client participating in the aggregated order, and will enable Chasson to seek best execution for the accounts. This requires a reasonable good faith judgment at the time the order is placed for execution, and such determinations may appear different upon subsequent review.

- It is possible that transactions for a client's account may not be aggregated for execution if (i) the account has a Directed Brokerage Arrangement, or (ii) batching is inconsistent with that client's investment management agreement or with Chason's order allocation policy. Trades that cannot be combined will generally be entered on a first-come, first-served basis, and the earlier-placed order will be completed before entering the later one. We may, however, execute a small order before the completion of a larger order when we believe that doing so will not impact to the market.

- If the order cannot be executed in full at the same price or time, securities purchased or sold in a batched transaction are allocated pro rata, when possible, to the participating client accounts in proportion to the size of the order placed for each account. Chasson may, however, increase or decrease the amount of securities allocated to each account to limit the number of immaterial allocations in order to reduce unnecessary custodial costs. Additionally, if Chasson is unable to fully execute a batched transaction and determines that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro rata basis for other reasons, Chasson may allocate such securities in a manner it determines in good faith to be a fair allocation.

- Certain accounts may have special requirements that require an additional review of the account prior to entering an order, such as tax considerations or purchase and sale restrictions. In addition, some wrap programs may have limitations on the time of day when orders can be entered. Since orders for accounts under either of the above circumstances may be placed later than aggregated orders for other clients, the execution that is obtained for such orders may not be as favorable as the price received with respect to the earlier orders.

Order Rotation for Institutional Separate Accounts and Wrap Accounts

Chasson has established the following order rotation policy:

- First, orders for non-directed accounts and Directed Brokerage Arrangements which can be accommodated through "step-outs".
- Second, orders for Directed Brokerage Arrangements which cannot be "stepped-out" and accounts that are 100% directed.
- Third, orders for wrap fee program accounts.

If an order cannot be executed in one batch, a trade order rotation is maintained such that the accounts that were sent first for one order will be sent last for the next order.

Generally, if one strategy has an existing order which has not been completed, and another strategy submits an order in the opposite direction, the second order will not be acted upon until the previous order has been filled.

Chasson may allow two orders to compete with each other in the marketplace when we believe this would not increase transaction costs for both groups of clients. In addition, when securities are purchased to invest new accounts or sold to liquidate an account, we are willing to undertake simultaneous transactions for accounts.

Chasson's Small-Cap Growth strategy is permitted to invest in securities offered in an IPO. The limited number of shares that are sometimes offered in an IPO means that we may not always be able to buy the desired number of shares to meaningfully allocate securities among accounts that may purchase such securities.

Investors having accounts in a wrap program that has limitations on the time of day when orders can be entered should be aware that orders for these accounts may be entered after other orders for the same securities have been executed on behalf of other accounts and will not be aggregated with such orders. The execution that is obtained for such orders may not be as favorable as the price received with respect to the earlier orders.

Order Handling for Accounts in Which Chasson and/or its Employees Have a Beneficial Interest In.

Chasson has and may from time to time establish accounts in which Chasson and/or its employees have a beneficial interest. Such Affiliated Accounts may purchase and sell securities either before, after, or at the same time the same securities are purchased and sold for client accounts, subject to the requirement that such transactions are not based on information that gives any Affiliated Account an advantage over a client account. In addition, one Affiliated Account is permitted to engage in the short sale of securities in furtherance of its investment strategy. The following procedures are specific to Affiliated Accounts:

- If orders for the same security trading in the same direction as client accounts are placed with the same broker at the same time, trades for the Affiliated Accounts may be batched and allocated in accordance with the procedures set forth under "Order Aggregation ("Batching") and Allocation" above.
- Prior to an Affiliated Account being permitted to short sell a security, it will be determined whether the security is held in any representative client account (each, a "Representative Account"). If a security is held in a Representative Account, the order to short sell the security will not be permitted. However, if a security is held in a client account solely at the direction of the client, the Affiliated Account may be permitted to sell the security short if approved in advance by Chasson's Chief Executive Officer or his designee and/or the Chief Compliance Officer.

- Affiliated Accounts are prohibited from trading in anticipation of trades for client accounts. Specifically, Affiliated Accounts are prohibited from: (i) covering (buying) existing short positions in anticipation of other Chasson strategies initiating a long position; and (ii) establishing short positions (selling short) stocks in anticipation of other Chasson strategies liquidating their existing long positions.
- From time to time, Affiliated Accounts may establish short positions (reflecting negative relative expectations) on stocks that are owned by Representative Accounts, but whose position size represents an underweight position relative to a benchmark (also reflecting negative relative expectations). For example, an allocation of 0.25% in Large Cap Core portfolios of a specific stock, currently about 1% of the S&P 500 Index, represents an underweight position of 0.75%. In this example, although Chasson might have a negative relative view on such specific stock, Chasson may decide to hold an underweight position in client accounts, rather than no position at all, for risk management purposes. Similarly, Affiliated Accounts can express negative expectations for such specific stock by holding short positions on the stock.

Trade Errors

Chasson has established Trade Error correction policies and procedures which provide for resolution of trade errors. Once discovered, trade errors must be reported to Chasson's Trade Errors Committee as soon as possible. The Trade Errors Committee, which consists of senior personnel of the firm, will determine the appropriate corrective action for a trade error.

It is Chasson's policy to resolve any trade error identified in a client account in a manner that avoids harm to the client account. In the event a trade error caused by Chasson results in a loss, the client's account will be reimbursed by Chasson for the amount of the loss. In the event a trade error results in a gain, the client's account will receive the proceeds of the gain. Chasson prohibits the use of soft dollars to resolve trade errors.

Any errors resulting from unique circumstances shall be resolved by the Trade Errors Committee on a case-by-case basis. In each case, the error must be resolved in a manner consistent with Chasson's fiduciary duties to the client.

Item 13 – Review of Accounts

Internal Reviews

Chasson's portfolio management teams are responsible for the regular review of account assets under their supervision. The number of reviewers and accounts assigned to each varies depending on the nature of the product, service, or strategy.

Accounts are reviewed on a daily basis, as dictated by market and investment considerations, by the portfolio managers having responsibility for the account. Portfolio managers consider account performance, risk characteristics, and client restrictions.

Members of the investment management teams are responsible for reviewing whether all investments and trades have complied with client and internal guidelines. As part of this process, portfolio

managers are required to prepare an in-depth review for members of Chasson's Investment Committee on numerous aspects of the portfolios relative to applicable benchmarks and other portfolios within the investment strategy, including fundamental characteristics of holdings, risk exposures, and dispersion. Chasson's Investment Committee is comprised of senior investment officers. Investment Committee meetings are normally attended by the Chief Compliance Officer.

Chasson's investment analysts are typically responsible for tracking a variety of companies and/or industries or sectors and making recommendations for accounts. Industry and sector information is discussed at a weekly meeting of the investment team.

Account performance information is reviewed daily by investment team members. The reports used for these reviews, as well as other weekly and monthly performance reports, are widely disseminated and reviewed on a less formal basis by other personnel. Account and composite information is reviewed formally at a quarterly meeting attended by investment team members, sales and marketing staff, and the Chief Compliance Officer.

Client accounts are tested as part of an automated daily process for adherence to internal investment guidelines and many of the client-mandated or contractual guidelines, as well as regulatory requirements.

Chasson performs a monthly reconciliation of institutional separate account assets against the records of the account custodians. Chasson also performs an automated daily account reconciliation of certain institutional separate accounts to facilitate the monthly reconciliation for those accounts where custodians have the technological capability to access the reconciliation system that is used. Wrap sponsors are responsible for reconciliation of wrap accounts.

Reports to Clients

Institutional Separate Accounts

Client statements, including portfolio appraisal reports exhibiting securities positions, their cost, market value, and estimated income and asset value, are provided to clients quarterly except for those clients who have requested such reports on a monthly basis.

Wrap Accounts

Statements are typically provided to wrap clients by the program sponsor or the client's financial adviser.

Item 14 – Client Referrals and Other Compensation

Relationships with Consultants

Many of our institutional separate account clients and prospective clients retain investment consultants to advise them on the selection and review of investment managers. Chasson may have certain accounts that were introduced to us through consultants. These consultants or their affiliates may, in the ordinary course of their investment consulting business, recommend Chasson's investment advisory services, or otherwise place Chasson into searches or other selection processes for a particular client. Chasson has extensive dealings with investment consultants in the consultants' role as adviser for their clients. Chasson also provides information on our investment styles to consultants, who use

that information in connection with searches they conduct for their clients. Chasson may also respond to “Requests for Proposals” from prospective clients in connection with those searches.

Clients obtained from these consultants may instruct Chasson to direct some or all of their brokerage transactions to a particular broker with whom they have a relationship. In addition, Chasson may, from time to time, purchase software applications, access to databases, and other products or services from certain consultants.

Item 15 – Custody

Chasson does not take custody of customers funds, custody is provided by Chasson’s qualified custodians of accounts.

Clients should receive statements at least quarterly from the broker/dealer, bank or other qualified custodian that holds and maintains client’s investment assets. Fund members receive account statements from the funds’ custodian on a monthly basis. Chasson urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to them.

Item 16 – Investment Discretion

Chasson usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Except for directed brokerage arrangements, we generally have complete discretion in managing accounts with respect to buying and selling securities and choosing the brokers with which to transact as well as the transaction price and commission rates, subject to investment guidelines and applicable law. However, in the case of certain wrap programs, the sponsor, rather than Chasson, is responsible for executing trades and selecting brokers. Likewise, where Chasson provides model portfolios to certain plan sponsors who use them as a basis for trades that they execute in the accounts of their clients, the sponsors are responsible for selecting brokers.

Institutional Separate Accounts

When selecting securities and determining amounts, Chasson observes the investment policies, limitations and restrictions of the clients for which it advises. Any investment guidelines and restrictions must be provided to Chasson in writing. In addition to investment guideline restrictions, we prefer that the investment management agreement also state the following arrangements:

- Proxy voting – Whether or not the client has delegated to us the voting of proxy ballots for the securities held in their portfolios, and whether such proxies should be voted in accordance with the standard proxy voting guidelines used by Chasson or other considerations.

- Restricted securities – Certain clients provide us with a list of securities that are prohibited for purchase and/or sale in their portfolios. We restrict the applicable securities in our investment systems to prevent transactions in such securities for accounts that provide restricted lists.
- Socially responsible investing – We use data from a third-party service provider that identifies companies that do not meet certain socially-responsible criteria. We restrict transactions based on this data or on specific lists of companies provided by our clients.
- Class-action lawsuits related to portfolio securities – From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. As a general matter, Chasson has no obligation to determine if securities held by a client are subject to a pending or resolved class action lawsuit. We also have no general duty to evaluate a client’s eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, we have no responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, omissions, misconduct, or negligence by a corporate management of issuers whose securities are held by clients. Generally speaking, where Chasson receives notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, unless instructed otherwise, we will use reasonable efforts to forward all notices, proof of claim forms, and other materials to the client’s custodian, including by way of electronic mail. We may retain a service provider to assist with all or any of this process.
- Cash-Equivalent Vehicles – Unless agreed to otherwise, selection of cash-equivalent vehicles is the responsibility of the client in conjunction with the custodian. If Chasson is requested to select the fund, the authority to do so should be outlined in writing from the client.

Wrap Accounts

Subject to applicable terms in their agreements with the sponsors of their programs, clients in wrap accounts may specify requirements relating to proxy voting and restricted securities, including social restrictions. (Please see the description of these services in the section above relating to institutional separate accounts.)

Item 17 – Voting Client Securities

Unless otherwise instructed, we retain the authority to vote all proxies for our clients. We have adopted proxy voting policies and procedures (“Proxy Voting Policy”) which are designed to comply with both SEC Rule 206(4)-6 under the Investment Advisers Act of 1940 and the Employee Retirement Income Security Act of 1974, as amended (“ERISA”).

In order to facilitate the voting of client proxies, we have entered into an agreement with Institutional Shareholder Services, Inc. (“ISS”) an independent third party proxy voting service provider. In contracting with ISS, we determined that ISS has the capacity and competence to analyze proxy issues and is independent and able to make recommendations in an impartial manner in the best interests of our clients. We also reviewed ISS’s standard proxy voting guidelines (“ISS Standard Guidelines”) to ensure that proxies would be voted in the best interest of our clients. We will vote proxies in accordance with ISS Standard Guidelines with certain exceptions, such as when the client has directed us to vote in accordance with alternate guidelines, or when there is a conflict of interest. In particular, we will resolve the conflicts below as follows:

- When we vote proxies on behalf of the account of a corporation, or a pension plan sponsored by a corporation, in which our clients also own stock, we will vote the proxy for the corporation or pension plan's account as directed by the corporation or pension plan and the proxy for all other clients in accordance with ISS Standard Guidelines.
- When we vote proxies on behalf of a Taft-Hartley Plan client, we will vote proxies as directed by the plan, such as in accordance with ISS's Taft-Hartley Plan Proxy Voting Guidelines. If instructions are not given, proxies will be voted in accordance with ISS Standard Guidelines.
- ISS will notify us of certain votes involving, without limitation, mergers and acquisition transactions, dissident shareholders and AFL-CIO key votes ("Special Voting Issues"). With respect to proxies involving Special Voting Issues, we will make an independent determination on whether to follow ISS's recommendations based on the best interests of the client.
- Proxies for proprietary commingled funds managed by Chasson will be voted in accordance with ISS Standard Guidelines without regard to the interests of any specific member or prospective member.
- If a conflict of interest exists between the Firm and a client with respect to an issuer, we will vote with respect to securities of the issuer in accordance with ISS Standard Guidelines.
- If an employee of Chasson or one of its affiliates is on the Board of Directors of a company held in client accounts, we will vote in accordance with ISS Standard Guidelines.

We have formed a Corporate Governance Committee comprised of senior personnel, including our Head of Investment Operations and Chief Compliance Officer, to oversee the voting of client proxies and address specific situations and conflicts. The Corporate Governance Committee will also periodically review ISS Standard Guidelines, ISS's performance in voting client proxies and the adequacy and effectiveness of our Proxy Voting Policy.

We also recognize that some matters may be presented to shareholders in a combined form, in which the ISS Standard Guidelines would call for inconsistent votes. We will vote on such combined proposals on an issue-by-issue basis and in a manner that is consistent with the goal of protecting the long-term interests of clients but will honor, to the extent given, client instructions.

Clients may obtain a copy of our Proxy Voting Policy and information about how we voted proxies on behalf of their accounts by contacting us at +1(718) 313-7625 [or Info@ChassonGroup.com](mailto:Info@ChassonGroup.com).

Item 18 – Financial Information

Chasson 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.

**Chasson Group Inc.
Privacy Notice**

FACTS	WHAT DOES CHASSON GROUP INC. DO WITH YOUR PERSONAL INFORMATION?		
Why?	Financial companies choose how they share your personal information. Federal law gives customers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include your: <div><div>■ Social security number</div><div>■ Income</div><div>■ Employment information</div><div>■ Assets</div><div>■ Account balances</div><div>■ Transaction history</div></div>		
	When you are <i>no longer</i> our customer, we may continue to share your information as described in this notice.		
How?	All financial companies need to share customer personal information to run their everyday business. In the section below, we list the reasons financial companies may share their customer personal information, the reasons Chasson chooses to share your personal information, and whether you can limit this sharing.		
Reasons companies share personal information		Does Chasson share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations		YES	NO
For our marketing purposes – to offer our products and services to you		YES	NO
For joint marketing with other financial companies		NO	WE DON'T SHARE
For non-affiliates everyday business purposes – information about your transactions and experiences		NO	WE DON'T SHARE
For non-affiliates' everyday business purposes – information about your creditworthiness		NO	WE DON'T SHARE
For non-affiliates to market to you		NO	WE DO NOT SHARE
For Questions		Call +1(718) 313-7625	
	Chasson Group Inc.		
Who we are			
Who is providing this notice?		Chasson Group Inc.	

What we do	
How does Chasson Group, Inc. protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards, secured files, and limited physical access to our offices.
How does Chasson Group Inc. collect my personal information?	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> ■ Enter into an investment advisory contract ■ Open an account ■ Give us your contact ■ Give us your income information ■ Make deposits/withdrawals
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> ■ sharing for affiliates' everyday business purposes - information about your creditworthiness ■ affiliates from using your information to market to you ■ sharing for non-affiliates to market to you <p>State laws and individual companies may give you additional rights to limit sharing.</p>
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Non-affiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> ■ Chasson does not share with non-affiliates so they can market to you.
Joint marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> ■ Chasson does not engage in joint marketing.

GLOSSARY

As used in this Brochure, these terms have the following meanings.

- **“130/30 Strategy”** refers to the use of financial leverage by shorting stocks expected to underperform and purchasing shares that are expected to outperform. A 130/30 ratio implies shorting stocks up to 30% of the portfolio value and using the funds to take long positions in the stocks the investor feels will outperform the market.
- **“Advisers Act”** means the Investment Advisers Act of 1940, as amended.
- **“Affiliated Accounts”** includes accounts over which Chasson has management authority to effect the purchase or sale of securities in which Chasson and/or employees, directly or indirectly, have a position of interest.
- **“American Depositary Receipt” (“ADR”)** means a security that trades in the United States but represents a specified number of shares in a foreign corporation. ADRs are bought and sold on American markets just like regular stocks, and are issued/sponsored in the U.S. by a bank or brokerage.
- **“Barclays Capital 1-10 Year Municipal Blend Index”** is an unmanaged sub-set of the Municipal Index which covers the U.S. investment-grade tax-exempt bond market, with a remaining maturity from 1 up to (but not including) 12 years.
- **“Barclays Capital U.S. Intermediate Government/Credit Bond Index”** is an unmanaged sub-set of the U.S. Government/Credit Index that includes U.S. Treasuries, government-related issues, and investment grade U.S. corporate securities with remaining maturities of 1 up to (but not including) 10 years.
- **“Basis Point”** is a unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01%.
- **“Block Trade”** generally means 10,000 shares of stock or \$200,000 worth of bonds.
- **“Cash-Equivalents”** means highly liquid, relatively safe investments that can be easily converted into cash, such as Treasury Bills and money market funds.
- **“Code”** means Chasson’s Code of Ethics and Compliance Manual.
- **“Corporate Governance Committee”** refers to Chasson’s committee that addresses specific situations and material conflicts relating to the voting of proxies and is responsible for periodically reviewing the firm’s Proxy Voting Guidelines.
- **“Custody”** means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.

- **“Directed Brokerage Arrangement”** means an arrangement where a client directs that all or a percentage of trades be executed through specific brokers.
- **“Discretionary Authority” or “Discretionary Basis”** means Chasson’s authority to decide which securities to purchase and sell for the client.
- **“Duration”** means the time-weighted average of expected cash flows from a fixed-income investment, as expressed in a number of years. The longer a security’s duration, the greater its responsiveness to changes in interest rates.
- **“ETF” or “Exchange Traded Fund”** means an investment fund traded on stock exchanges, much like stocks. An ETF holds assets such as stocks, commodities, or bonds, and normally trades close to its net asset value over the course of the trading day. Most ETFs track an index, such as the S&P 500.
- **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.
- **“IPO” or “initial public offering”** means the first sale of stock by a private company to the public. IPOs are often issued by smaller, younger companies seeking the capital to expand, but can also be done by large privately owned companies looking to become publicly traded.
- **“Liquidity”** means the ability to convert assets into cash or cash-equivalents without significant loss. Investments in money market funds and listed stocks are considered liquid investments. (See **“Cash-Equivalents”** above).
- **“Macroeconomic Exposures”** means exposure to the overall aspects and workings of a national economy including, but not limited to, income, output and the interrelationship among diverse economic sectors.
- **“Market Capitalization”** is a way of measuring the size of a company by multiplying the current stock price by the number of outstanding shares.
- **“Market Sensitivity”** means a security’s responsiveness to the market’s fluctuations.
- **“Market Value”** means the price of a security or portfolio.
- **“Momentum Stocks”** are stocks that have outperformed the stock market significantly in recent months.
- **“Odd-Lot”** means any securities transaction in a block of fewer than 100 shares or 100 bonds.
- **“Order Aggregation” (Batching)** means the purchase or sale of the same securities for a number of client accounts simultaneously to facilitate best execution and to reduce brokerage commissions or other costs.

- **“Performance-Based Fee”** is an investment advisory fee based on the performance of an account relative to its benchmark.
- **“Proxy Voting Guidelines”** refers to Chasson’s policies and procedures for voting proxies on behalf of the clients for which Chasson has voting discretion.
- **“Public Company Accounting Oversight Board”** means a nonprofit corporation established by Congress to oversee the audits of public companies in order to protect the interests of investors and further the public interest in the preparation of informative, accurate and independent audit reports.
- **“Quantitative Research”** means the statistical analysis of security returns to identify factors that have influenced performance in the past. The result of this research may be a stock selection model such as a ranking system that is designed to forecast future relative performance. Quantitative research is also used to develop risk models that are based on factors that have been associated with volatility in the past.
- **“Representative Account”** means a client account representative of a particular strategy managed by Chasson.
- **“SEC”** means the Securities and Exchange Commission.
- **“Section 28(e) of the Securities Exchange Act of 1934”** means a safe harbor to advisers exercising “investment discretion” over accounts. To avail itself of the safe harbor the adviser must make a good faith determination that the amount of commission paid is reasonable in relation to the value of the brokerage and research services provided by the broker dealer, viewed in terms of the particular transaction or the adviser’s overall responsibilities to its discretionary account.
- **“Short Sale”** means the sale of a borrowed security, commodity or currency with the expectation that the asset will fall in value. A short position is a reflection of negative relative expectations.
- **“Side-by-Side Management”** occurs when investment teams and individual portfolio managers manage multiple accounts, including separate accounts, commingled funds, and wrap accounts, and/or proprietary accounts using the same or a similar investment strategy. In some cases, the different fee amounts paid by the various types of accounts could present certain conflicts of interest as it may provide an incentive to favor higher-paying or proprietary accounts over other accounts.
- **“Sponsor”** a broker-dealer or other financial services company who hosts bundled-fee (wrap) account programs. A sponsor of a wrap fee program typically organizes and administers the program, including selecting the managers that are offered in the program. The sponsor also provides advice to clients concerning asset allocation and manager selection, among other things.

- **“Step-Out”** means a transaction placed at one broker dealer and then “given up” or “stepped out” by that broker dealer to another broker dealer for credit. This may benefit the client by finding a natural buyer or seller of a particular security and enable a larger block of shares to be traded more efficiently.
- **“Taft-Hartley Plan”** – is a type of retirement plan for union employees.
- **“Wrap Fee”** is a bundled fee a client pays to the sponsor of a wrap program for administration, custody, asset management, trade execution, and performance monitoring and reporting.
- **“Wrap Program”** an investment program sponsored by certain broker-dealers or other financial services companies that provides administration, custody, asset management, trade execution, and performance monitoring and reporting for a single, all-inclusive (“wrap”) fee.