

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

Item 1 – Cover Page

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Date of Brochure: April 2012

This **Wrap Fee Program Brochure** provides information about the qualifications and business practices of Truro Asset Management LLC and details for our **Wrap-Fee Program**. If you have any questions about the contents of this brochure please contact us at (781) 849-9200 or compliance@uswealthcompanies.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about our investment advisory business is also available on the Internet at www.adviserinfo.sec.gov. You can view our information on this website by searching for “Truro Asset Management LLC”. You can also search using the firm’s CRD numbers. The CRD number for the firm is 163157.

Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 – Material Changes

This item does not apply at this time and a summary of material changes is not provided because this is the first edition of our Firm's Wrap Fee Program Brochure. In the future, this item will discuss only specific material changes that are made to our Wrap Fee Program Brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of the brochure.

We will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer a copy of the most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

Item 3 – Table of Contents

Item 2 – Material Changes	2
Item 3 – Table of Contents.....	2
Item 4 – Services, Fees and Compensation	3
The Truro Asset Management Program	4
Investment Management Services.....	4
Tailoring Advisory Services to Individual Needs of Clients	5
The Program is not a Registered Investment Company	6
Administrative Services Provided by ORION Advisor Services, LLC	7
Brokerage, Clearing and Custody.....	7
Aggregation of Client Orders.....	8
Custody	8
Program Fees	9
Wrap Fee v. Non-Wrap Fee Options	9
Description of Fees	9
Other Fees	11
Termination of Services	11
Item 5 – Account Requirements and Types of Clients.....	12
Opening an Account.....	12
Minimum Account Size.....	12
Types of Clients	12
Item 6 - Portfolio Manager Selection and Evaluation.....	12
Performance-Based Fees and Side-By-Side Management.....	13
Client Assets Managed by Truro Asset Management LLC.....	13
Methods of Analysis, Investment Strategies and Risk of Loss	14
Methods of Analysis	14
Investment Strategies	15
Risk of Loss.....	16
Voting Client Securities	18
Item 7 – Client Information Provided to Portfolio Managers	18
Item 8 – Client Contact with Portfolio Managers.....	19
Item 9 – Additional Information	19
Disciplinary Information.....	19
Other Financial Industry Activities and Affiliations	19
U.S. Financial Advisors, LLC	19

Arrangement with LPL Financial	20
U.S. Insurance Brokers, LLC	20
Code of Ethics Summary	20
Affiliate and Employee Personal Securities Transactions Disclosure.....	20
Account Reviews and Reviewers.....	20
Investment Committee	21
Client Referrals and Other Compensation	21
Financial Information.....	22

Item 4 – Services, Fees and Compensation

Truro Asset Management LLC (referred to throughout this document as “Truro”, the “Firm”, “us” and “we”) is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company formed under the laws of the State of Delaware.

- The Firm is a newly formed investment advisor registered since April 2012.
- The Firm is owned and controlled by John Napolitano through the Firm's parent company, U.S. Wealth Management, LLC. There are other members of U.S. Wealth Management, LLC; however Mr. Napolitano is the only member with more than 25% control.
- We provide fee-based investment advisory services through Truro. The nature and extent of the specific services provided to clients, including you, will always depend on each client's financial status, objectives and needs, time horizons, concerns, expectations and risk tolerance.
- The Portfolio Managers and other personnel of Truro are also registered representatives of LPL Financial (also referred to as “LPL”), a registered broker/dealer, member SIPC/FINRA, and our office is also an LPL branch office location.

Truro was created in 2012 as a spin-off from our affiliated investment advisory firm, U.S. Financial Advisors, LLC (referred to as “USFA”). USFA was originally founded in 1998 to provide value-added financial advisory and investment management services to individuals and institutions.

In April 2012 USFA assigned its third-party money management program to Truro to begin offering investment management services to clients of unaffiliated investment advisors. Truro operates as an independent, privately owned investment management firm that provides fee-only discretionary investment management to individuals, pension and profit sharing plans, charitable organizations, corporations, and other entities working with introducing investment advisors that are not affiliated with our Firm. We also serve as an affiliated money manager to USFA so that investment advisor representatives of USFA may refer their clients to Truro.

This disclosure brochure provides important information about our Firm, our services, and fee arrangements. If you have received this Wrap Fee Program Brochure, it is because your investment advisor has recommended or suggested Truro as a third-party money manager to manage a portion of your investable assets. It is important that you read the information contained within this disclosure brochure carefully and speak with your investment advisor if you have any questions about our services or arrangements.

The Truro Asset Management Program

We offer our Truro Asset Management Program (the “Truro Program”) to clients referred by unaffiliated independent investment advisors contractually engaged by Truro and to clients of our affiliated investment advisory firm, USFA (collectively referred to as “Co-Advisors”). As a condition to participating in the Program, each account must be held at LPL Financial as broker/dealer and qualified custodian, and is registered to the person, persons, or other entity listed on that firm’s new account forms. All securities are owned directly by the account’s registered owner or owners.

Truro does not receive compensation from commissions or other charges levied by the account’s brokerage or custodial firm. Truro is compensated solely by the investment management fee as detailed in the Program agreement. The primary contact for matters concerning Truro accounts is the referring Co-Advisor.

Through the Truro Program we provide clients with continuous and on-going supervision over their accounts. This means Truro or selected Separate Account Managers (referred to as “SAMS”) direct the investment of securities in each account under a limited power of attorney granted to Truro by the client in the Truro Program Investment Management Agreement. Through this service, Truro implements a customized and individualized investment program for clients by applying our investment strategy and philosophy. We actively manage client investment portfolios in accordance with the client’s individual needs, return objectives and risk tolerance.

Truro Program accounts are established at LPL Financial in its capacity as a registered broker/dealer, member Financial Industry Regulatory Authority (FINRA) and Securities Investors Protection Corporation (SIPC). LPL Financial is also an investment advisor registered with the SEC, but does not serve as an investment advisor for Truro clients through this Program. Clearing, custody and other brokerage services are provided by LPL Financial. Therefore, clients will be required to establish a brokerage account(s) through LPL Financial’s Strategic Wealth Management platform (referred to as LPL’s SWM). Separate accounts are maintained for each client. Each client retains all rights of ownership of their accounts (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

It is important that you understand that Truro manages investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions we take for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed appropriate for your account(s) and other accounts advised by our Firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client’s benefit.

Investment Management Services

The Truro Investment Committee is responsible for all investment recommendations and managing client accounts. You will work with your Co-Advisor to complete a Risk Tolerance Questionnaire in order to determine and discuss your current financial situation, investment goals, tolerance for risk, liquidity needs, and other unique circumstances which may dictate the manner in which your assets

should be professionally managed. Based on this consultation and your Co-Advisor's analysis of the Risk Tolerance Questionnaire, your Co-Advisor will assist you to determine which of Truro's investment options should be used to manage your assets. Truro offers the following levels of products available to clients.

1. The first level available to clients consists of portfolios made up of mutual funds and Exchange Traded Funds. In some cases stocks and bonds may be utilized. Within this level Truro offers seven strategies ranging from Conservative to Growth.
2. The third level available to clients consists of portfolios managed by SAMs. Truro can select SAMs for LPL SWM accounts including SAMs pre-established by LPL through the LPL Manager Access Network or Manager Access Select. The Truro Investment Committee performs due diligence to determine which SAM's will be utilized by Truro.

Depending on the situation these levels can be utilized independently or in unison. Investment strategies are developed and monitored by the Truro Investment Committee. Each investment strategy consists of investments specifically selected in order to achieve that particular strategy's investment objective. Your assets are invested in a manner consistent with the investment strategy chosen, however specific client portfolios may deviate from the Truro's investment strategies due to a number of factors. These factors include inception date of the account, tax considerations, liquidity needs, and other circumstances specific to the particular client.

Where appropriate, we may recommend one or multiple third-party investment advisors be utilized in order to manage all or a portion of the client's assets through the use of SAMs. Please refer to Item 6 of this brochure for more details.

Assets are invested by us into the Truro Program upon receipt by the custodian of the assets, or at a mutually agreed upon date by the Co-Advisor, you and our Firm. Your assets are managed in a manner consistent with the strategy offered through Truro, unless and until you or your Co-Advisor notifies Truro otherwise.

Tailoring Advisory Services to Individual Needs of Clients

Your investment strategy and management program will be based on your unique and individual investment needs, as expressed in our Risk Tolerance Questionnaire and portfolio strategy selection or selections you complete with guidance from your Co-Advisor. Your Co-Advisor is responsible for collecting financial and demographic information from you and will assist you in identifying your financial objectives by filling out Truro's Risk Tolerance Questionnaire. Your Co-Advisor will describe the investment programs available from Truro that may be most beneficial and appropriate given your objectives in light of your responses. Your Co-Advisor will forward the Risk Tolerance Questionnaire and all associated paperwork to Truro. Truro will conduct a final review of your investment selection to assess whether it is appropriate given your stated risk tolerance and objectives. Truro is expressly authorized to rely on the information provided in the Risk Tolerance Questionnaire without further verification. You **must** notify your Co-Advisor who must notify Truro of material changes in financial circumstances or investment goals that warrant changes to the portfolio strategy selected for an account.

Although the investment portfolios available through Truro are designed to meet the objectives of general investment strategies (i.e. aggressive versus conservative strategies), you have the ability to impose reasonable restrictions on the accounts we manage.

When managing client accounts through our program, we will generally manage a client's account in accordance with one or more models developed by our Investment Committee. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates. More information about our models and strategies is provided at Item 6. You will receive additional details and disclosures regarding our strategies prior to or at the time a portfolio strategy is determined.

The Program is not a Registered Investment Company

The Program has been designed to comply with the provisions set forth under Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Truro's strategic allocation program, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is specifically applicable to the Program:

1. *Initial Interview* – at the opening of the account, you must provide Truro, through your Co-Advisor, information sufficient to determine your financial situation and investment objectives;
2. *Individual Treatment* - your account is managed on the basis of your financial situation and investment objectives;
3. *Quarterly Notice* – at least quarterly Truro or your Co-Advisor will remind you to advise Truro whether your financial situation or investment objectives have changed, or if you want to impose and/or modify any reasonable restrictions on the management of your Program account(s);
4. *Annual Contact* – at least annually, your Co-Advisor, will contact you to determine whether your financial situation or investment objectives have changed, or if you want to impose and/or modify any reasonable restrictions on the management of your account(s);
5. *Consultation Available* – Truro and your Co-Advisor are reasonably available to consult with you relative to the status of your account(s);
6. *Quarterly Statement* – you will receive a statement, at least quarterly, that is prepared by LPL Financial and delivered from LPL Financial. That statement shall contain a description of all activity in your account during the preceding period. You will also receive a quarterly performance report detailing the performance of accounts managed through the Program. All clients are responsible, and therefore urged by Truro, to compare performance reports received for the Truro Program against the account statements prepared and delivered by the custodian;
7. *Ability to Impose Restrictions* – you always have the ability to impose reasonable restrictions on the management of your account, including the ability to instruct Truro not to purchase certain specific securities or mutual funds;

8. *No Pooling* – your beneficial interest in a security does not represent an undivided interest in all the securities held by LPL Financial, but rather represents a direct and beneficial interest in the securities which comprise your account;

9. *Separate Account* – you will have a separate account maintained at LPL Financial for you; and

10. *Ownership* – you will retain all rights of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

In performing its services, Truro shall not be required to verify any information received from clients or client's other professionals (including Co-Advisors), and is expressly authorized to rely on the information provided. You are free to accept or reject any recommendation made by Truro. It remains your responsibility to promptly notify Truro if there is ever any change in your financial situation or investment objectives for the purpose of reviewing, evaluating, or revising recommendations and/or services through the Program. You are advised to promptly notify your Co-Advisor if there are ever any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions upon Truro's management services.

Administrative Services Provided by ORION Advisor Services, LLC

Truro has contracted with ORION Advisor Services, LLC (referred to as "ORION") to utilize its technology platforms to support data reconciliation, performance reporting, fee calculation and billing, research, client database maintenance, quarterly performance evaluations, payable reports, web site administration, models, trading platforms, and other functions related to the administrative tasks of managing client accounts. Due to this arrangement, ORION will have access to client accounts, but ORION will not serve as an investment advisor to Truro clients.

Truro and ORION are non-affiliated companies. ORION charges Truro an annual fee for each account administered by ORION. The annual fee is paid from the portion of the management fee retained by Truro.

Brokerage, Clearing and Custody

As disclosed above, LPL Financial is used as the broker/dealer and custodian for client accounts.

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By directing clients to use a particular broker/dealer, Truro may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian.

Our Portfolio Managers and other staff members are also registered representatives of LPL Financial. Subsequently, we are required to use the services of LPL Financial. LPL Financial has a wide range of approved securities products for which LPL Financial performs due diligence prior to selection. LPL Financial's registered representatives are required to adhere to these products when implementing securities transactions through LPL Financial. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer. Because our Portfolio Managers are registered representatives of LPL Financial, LPL Financial provides compliance support to Truro personnel. In addition to compliance support, LPL

Financial also provides the associated persons of Truro, and therefore Truro, with back-office operational, technology, and other administrative support.

Truro recommends broker/dealers and custodians that Truro feels will provide services in a manner and at a cost that will allow Truro to meet its duty of best execution. However, Truro is limited in the broker/dealer or custodians that it is allowed to use due to our relationship with LPL Financial. In fact, LPL Financial may limit or restrict the broker/dealer or custodial platforms we may use due to LPL Financial's duty to supervise the transactions implemented by our personnel also registered with LPL Financial.

While there is no direct linkage between the investment advice given to clients and Truro's recommendation of LPL Financial, economic benefits may be provided by LPL Financial to Truro that will not be provided if the client were to use another broker/dealer or account custodian. These benefits may include: negotiated costs for transaction implementation, a dedicated trade desk that services LPL Financial participants exclusively, a dedicated service group and an account services manager dedicated to Truro's accounts, access to a real-time order matching system, electronic download of trades, balances and position information, access, for a fee, to an electronic interface with the account custodian's software, duplicate and batched client statements, confirmations and year-end reports. We do not receive client referrals from LPL Financial.

Aggregation of Client Orders

Our trading policy is to implement all client orders on an individual basis. Therefore, we do not aggregate or "block" client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Further, the investments we are responsible for trading in client accounts are typically limited to mutual funds, ETFs, and other broadly traded positions. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Truro is deemed to have custody of client funds and securities whenever Truro is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Truro will ever maintain and generally the process to calculate and deduct advisory fees is assigned to or assumed by LPL Financial. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Truro is deemed to have custody, the Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent

representative, at least quarterly. Clients should carefully review those statements and are **urged** to compare the statements against reports received from Truro. When clients have questions about their account statements, they should contact Truro or the qualified custodian preparing the statement.

Program Fees

Wrap Fee v. Non-Wrap Fee Options

The Truro Program is offered through both a wrap-fee arrangement and a non-wrap fee program arrangement. A wrap-fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. Whenever a fee charged to a client for services described in this brochure (whether wrap fee or non-wrap fee), we will receive all or a portion of the fee charged. Outside advisors recommending this program to clients will receive a portion of the fee charged to clients. Outside advisors therefore have a financial incentive to recommend our program over other programs or services.

The Truro Program is generally offered on a non-wrap fee basis. This means most clients signing up for the Truro Program will pay for transaction costs separately from our investment management fee. A small number of our Investment Advisor Representatives have been given the ability to pay the transaction costs (i.e. ticket trades) for their clients thus resulting in a wrap-fee program arrangement. In these cases, the overall management fee charged to the client will almost always be more than the management fee charged to clients that are billed directly for transactions on a trade-by-trade basis. The reason for the increased fee is to cover the transaction costs. We do not believe there is any significant difference in the way we manage wrap-fee accounts versus our non-wrap fee programs.

Description of Fees

Fees for Program services are based on a percentage of assets managed through the Program. An annual fee will be determined and then divided and charged quarterly in advance. At the beginning of a quarter, fees are assessed for the quarter based upon the value of the assets in your account at the end of the previous quarter. If assets are deposited to the account after the inception of the quarter, the fee that is charged with respect to such assets as of the next calculation date may be prorated based on the number of days the assets were held in the account during the previous quarter. No fee adjustment will be made for assets withdrawn by the client during the quarter unless Truro is notified in advance of the distribution.

The initial fee is assessed upon receipt of assets by the account custodian (i.e. LPL Financial) or on a later date as specified by Truro under the Investment Management Agreement. The initial fee may be calculated pro rata in the event the initial Management Fee date falls on a day other than the first day of a calendar quarter. If assets are deposited after the initial management fee has been assessed, the fee that will be charged with respect to such assets as of the next calculation date may be prorated based on the number of days the assets were held in the account during the time period.

Unless the Co-Advisor has agreed with the client to pay transaction fees on behalf of the client (see *Wrap Fee v. Non-Wrap Fee Options* above), the fees described below do not include trade ticket and brokerage execution charges. Management fees charged do not include IRA and Qualified Plan account fees custodians charge to client accounts. The custodian may assess transaction charges and charge the client's account for trades in certain mutual funds. Where SAMs are utilized asset

based pricing may be applied to transaction charges. Clients may purchase such mutual funds directly through the fund company without incurring a transaction charge. However, such purchases would have to be made by the client outside of the Program. Custodians may also assess brokerage transaction charges for the purchase of general securities and charge them to the client's account.

Payment of advisory fees are deducted directly from client accounts, provided that the following requirements are met: 1) the client provides written authorization permitting the fees to be paid directly from the clients account held by the independent custodian; 2) it is the responsibility of Truro and the client to verify the accuracy of the fee calculation and not the responsibility of the broker/dealer-qualified custodian; and 3) the custodian agrees to send the client a statement, at least quarterly, indicating all amounts dispersed from the account including the amount of advisory fees paid directly to Truro. LPL Financial is responsible for calculating and debiting all fees from client accounts. Clients must provide LPL Financial written authorization to debit advisory fees from their accounts and pay such fees to Truro.

Our program may cost clients more or less than purchasing such account services separately, assuming that similar services could be purchased directly from the various providers thereof.

Our management fees are assessed on all assets in an account, including securities, cash and money market balances. Margin debit balances do not reduce the value of the assets in the account.

Our management fees do **not** include mark-ups/mark-downs in principal transactions; certain odd-lot differentials; national securities exchange fees; postage and handling; annual, maintenance and/or termination fees for retirement accounts or qualified plans; ACAT transfer fees; interest on debit account balances; electronic fund transfer fees; and transfer taxes and other costs or charges associated with securities transactions mandated by law. All fees and charges, including the above, may be charged directly to a client's account by the client's broker/dealer. None of these fees, costs or charges is paid to Truro and Truro receives no portion of such fees, costs and charges.

The fee schedules below are provided as examples of the fees that may be charged to clients based on the amount of client assets managed by our Firm through the Program.

The total investment advisory fee charged consists of a portion retained by the Co-Advisor, a portion retained by Truro for its management services and a fee for administrative services. The fees listed below also cover all costs associated with transactions and executions. When our program is offered on a non-wrap fee basis, clients must pay all transaction and execution costs separately. Through the wrap-fee program option, we pay for those costs. Therefore our wrap-fee program (as compared to a non-wrap fee account) may be more expensive during times when trading volume is lower and may be cheaper during times when trading volume is higher.

Due to the fact that we cover transaction and execution costs in a wrap-fee account, up to an additional 0.75% annual fee is added to the fees listed below for wrap-fee accounts.

The absolute maximum fee charge for Program services is 3.00%. Although unusual, such a fee may be charged for accounts established on a wrap-fee basis with lower dollar amounts utilizing SAMs.

Fee Schedule

The total investment advisory fees charged by Truro, under the program are typically based upon the following rate. **The total portion retained by Truro for management and administrative services never exceeds 0.55%.** Thus the remaining portion of fees charged is paid to Co-Advisors.

Account Size	Maximum Fee	Minimum Fee
\$ 100,000 - \$ 500,000	2.55%	.55%
\$ 500,001 - \$1,000,000	2.25%	.50%
\$1,000,001 - \$2,000,000	1.95%	.45%
\$2,000,001 - \$5,000,000	1.825%	.425%
Assets Greater than \$5,000,000	1.675%	.425%

Accounts valued less than \$100,000 can be accepted at our discretion. Accounts valued at less than \$100,000 may be charged a maximum fee of 2.55% per year. When an account value exceeds \$100,000, subsequent quarters will be billed according to the aforementioned fee schedule.

The actual fee charged to each client is negotiable on a case-by-case basis, using factors such as the client's financial situation and circumstances, the amount of assets under management, the strategy or models used to manage accounts, and the complexity of the services provided. Fee schedules may also vary among different Co-Advisors. When beneficial for the client, accounts may be combined to meet the breakpoints in the Truro fee schedule. The exact fee for services will be agreed upon and disclosed in the agreement for services prior to services being provided.

Clients that are invested using SAM(s) are charged a separate fee by the SAM for its management of the assets Truro allocates to the SAM. The amount charged by the SAM typically ranges from .20% to 1.50% depending on the investment style of the SAM. The SAM fee is in addition to the fee charged by Truro to clients for Truro's services under the program, which are described below. The SAM's fee is based on the assets allocated to the SAM. The fee charged by Truro is based on the total assets managed under the program (including those assets allocated to SAM's).

The fees described above represent the fees charged by us under the program for assets invested with SAMs. As described previously SAM clients will additionally be charged a Management Fee by the SAM on the assets allocated to and managed by the SAM.

Other Fees

Clients shall also incur certain charges imposed by third parties other than Truro in connection with investments made through the account, including but not limited to, mutual fund sales loads, surrender charges, and IRA and qualified retirement plan fees charged by NFS, a product sponsor or other third party. Certain mutual funds held in Truro Program accounts may impose short-term redemption fees on positions that are held less than a pre-determined time period, as determined by the mutual fund provider, in Truro Program accounts. Program fees charged by Truro are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

Termination of Services

Either party may terminate the Management Agreement upon written notice. Refunds will be paid if the Management Agreement is terminated either by the client or Truro. Refunds will be made within 60 days of receipt of the termination notice only for fees for time periods after the termination date.

Should portfolio management cease due to the client's withdrawal of assets from the account without prior notification to Truro to terminate management of the assets, the client will not be refunded for fees charged to account(s) for that quarter.

Item 5 – Account Requirements and Types of Clients

Opening an Account

To become a program participant, you must execute a Program Investment Management Agreement. In addition, you must establish one or more brokerage accounts through LPL Financial.

Minimum Account Size

Truro generally requires a minimum account of \$100,000 be established for those clients desiring investment management services. Accounts below this minimum may be accepted on an individual basis at our discretion.

Types of Clients

Truro generally provides investment advice to the following types of clients:

- Individuals (including trusts and estates),
- Pension and profit sharing plans,
- Charitable organizations,
- Non-profit organizations,
- Educational institutions,
- Corporations and other business entities.

Item 6 - Portfolio Manager Selection and Evaluation

The Truro Program is currently the only advisory services offered by our Firm. Accounts managed through the Truro Program are reviewed and managed by our Investment Committee which is comprised of Portfolio Managers registered as investment advisor representatives with our Firm. There could be a conflict of interest in that we could prefer our internal personnel when selecting portfolio managers rather than selecting unaffiliated Separate Account Managers (SAMs).

The Investment Committee may rely on Lowery Asset Consulting to help select both individual investment recommendations and SAMs. We consider the past performance of investments selected internally when determining whether or not to select SAMs.

Where appropriate, we may recommend to clients that one or multiple third-party investment advisors be utilized in order to manage all or a portion of the client's assets through the use of SAMs. In some cases, the SAM will deliver "trade signals" to us and we will be responsible for making all changes to underlying investments per the instructions from the SAM. In other situations, the SAM will have authorization on the client's account to trade and make changes to investment selections.

Truro is ultimately responsible for SAM due diligence along with portfolio monitoring, but SAMs must also be made available by LPL Financial in order to gain access to LPL Financial accounts. Truro may recommend SAMs through LPL Financial's Manager Access Network or Manager Access Select which provide the ability to select SAMs pre-established by LPL Financial to access LPL Financial client accounts. LPL Financial provides brokerage, custodial and administrative services for Manager Access

Network and Manager Access Select, but Truro is responsible for all investment advisory functions including SAM selection and suitability.

Generally SAMs are only recommended to suitable high net worth clients with investable assets exceeding \$1 million and whose investment objectives may make the use of a particular SAM a suitable option for the client. We have discretion over the management of the client's assets and allocate all or a portion of the assets to be managed by the selected SAM. In situations where the SAM is responsible for making changes to investment selections, the SAM directs the investment and reinvestment of the assets allocated to that SAM on a discretionary basis. While Truro does have discretion over the assets managed by the SAM, it does not direct trading on the assets that have been allocated to the SAM with trading authorization. We have discretionary authority to add or terminate the services of a particular SAM from the client's account. Truro can replace a particular SAM with a different SAM, or replace a SAM with Truro to direct the investment and reinvestment of the client's assets.

We select SAMs based on research provided by Lowery Asset Consulting, LLC and/or meetings of our investment committee. Managers are screened and selected using a number of criteria:

- Manager or management team tenure and experience
- Performance within their peer group
- Portfolio turnover
- Expenses and costs of the manager
- Individual face to face meetings with managers
- Participation in educational forums and conference calls offered by managers and others
- Ability to provide asset-class and/or risk exposures we are seeking

Factors that determine the change of a portfolio manager may include:

- Performance
- Change of manager
- Change of ownership of the portfolio managers firm
- Strategic or tactical change away from a particular sector or asset class
- Costs
- The closing of their fund or separate account

We use third parties such as Morningstar or Zephyr to examine manager performance data and for comparisons within a managers' peer group. For our clients who are invested within a Truro managed portfolio, performance is calculated through our outsourced relationship with a third-party consultant.

Lowery Asset Consulting, LLC gathers the third party reviews for our review. Lowery Asset Consulting, LLC also meets with over 1,000 managers annually and talks with them about their performance calculation methodologies.

Performance-Based Fees and Side-By-Side Management

Truro does not charge or accept performance-based fees. Regulators have defined performance based fees as charging fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Client Assets Managed by Truro Asset Management LLC

As a newly formed investment advisor we do not have any client assets under management as of the date of this Wrap Fee Program Brochure. It is our intention to manage all client assets on a discretionary basis. Please refer to Item 16 for information regarding investment discretion.

Methods of Analysis, Investment Strategies and Risk of Loss

Truro accounts are managed in accordance with the strategies and methods of analysis developed by the Truro Investment Committee. The Investment Committee is responsible for actively determining investment recommendations and implementing such recommendations. The Co-Advisor is still responsible for communicating with his/her client and gathering all client information. The following sections provide brief descriptions of some of the more common methods of analysis and investment strategies that are used by the Truro Investment Committee.

Methods of Analysis

We construct portfolios based on multiple methods of analysis that include as the primary driver, the tenets of modern portfolio theory and mean-variance optimization. This methodology relies on historical asset class return, volatility and cross asset class correlations as well as forward looking assumptions about each of these inputs. Given the limits of mean-variance optimization to correctly specify portfolio risk in extreme market environments, we compliment our asset allocation process with multiple methods of risk management. We closely monitor and manage the risk, as measured by standard deviation and other risk metrics, within our Truro Strategic strategies. We regularly review rolling volatility within our strategies to identify volatility trends as well as the absolute amount of volatility. Additionally, we closely monitor the effectiveness of our cross asset class correlations to provide insight regarding the accumulation or dissipation of strategy level risk. When determining investment selection we may employ Fundamental and/or Technical analysis.

Fundamental analysis is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical analysis is a method of evaluating securities, asset classes or market sectors by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume;

however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

We have also entered into an investment advisory consulting arrangement with Lowery Asset Consulting, LLC, an unaffiliated investment advisor that provides Truro with investment research, model portfolio recommendations, allocation recommendations and specific security analysis and recommendations that we may use or consider when developing strategies. Our agreement is directly with Lowery Asset Consulting, LLC and our clients do not enter into an agreement with their firm. Services are provided directly to Truro. Lowery Asset Consulting, LLC does not provide advice directly to clients and does not have access to client accounts. We are fully responsible for accepting and implementing all recommendations made by Lowery Asset Consulting, LLC. We pay Lowery Asset Consulting, LLC an annual fixed-fee for their consulting services.

Investment Strategies

Our strategies consider a broad range of asset classes for investment. These asset classes range across the broad spectrum of Equity, Fixed Income, Commodities and Alternatives. We allocate across these broad asset classes seeking multiple types of risk including Equity Risk, Interest Rate Risk, Credit/Default Risk, Inflation Risk and Alternative Risk. We utilize several specific strategies when managing client accounts. Included are:

- **Growth:** This method has market and volatility risk comparable to equity markets. The strategy is not precluded from owning more conservative assets, and may do so from time to time when the investment committee deems the more conservative asset classes as better growth opportunities than equity based investments.
- **Growth and Income:** This method has reduced equity risk due to the additional holdings in the fixed income category. Even so, this method is susceptible to equity market risk as well as fixed income interest rate and credit risk.
- **Balanced:** This method attempts to balance risk equally between both the equity and fixed income markets. The target blends of equity and fixed income holdings will vary based on market conditions and interest rates. Even so, there is some market, interest rate, and credit risk involved.
- **Conservative:** This method generally favors an allocation tilted towards fixed income and often has fewer equity holdings than the balanced strategy. This portfolio will often have increased sensitivity to interest rate and credit risks.
- **Enhanced Income:** This method is designed to provide income. The portfolio may own equity or fixed income securities, including unit trusts or other forms of income generating

holdings to meet its objectives. This portfolio may contain equity market risk and sensitivity to interest rate and credit risks.

- **Absolute Return:** This method pursues a higher level of risk than our Growth strategy. This portfolio may be more concentrated in the sources of risks it assumes. The strategy is generally expected to have a higher level of volatility and a higher long-term expected level of return.
- **Tactical:**
 - **Alpha Sector Premium:** The Truro Alpha Sector Premium strategy utilizes exchange traded funds (ETF) representing nine sectors of the Standard and Poor 500 index. It uses technical analysis exclusively and may have full exposure to equity market risk or no exposure to equity market risk. It is designed to capture as much of the upswing in rising U. S. equity markets as possible and to avoid downturns in the U. S. equity markets by investing in an ETF holding U. S. Treasury bills. This strategy may trade as frequently as weekly. Trading may be frequent in this strategy therefore causing increased costs due to trading and potential income tax costs associated with short term gains. This method is susceptible to equity market risk.
 - **Alpha Sector:** The Truro Alpha Sector Strategy is identical to the Alpha Sector Premium except for the frequency of trading. The Alpha Sector Strategy may be traded as frequently as monthly. Trading may be frequent in this strategy therefore causing increased costs due to trading and potential income tax costs associated with short term gains. This method is susceptible to equity market risk.
 - **All Weather Premium:** The Truro All Weather Premium is similar to the Alpha Sector Premium in that it may be traded weekly. In addition to the Alpha Sector Premium strategy, the All Weather Premium Strategy also includes allocations to foreign equities, fixed income securities and alternative strategies such as equities focused on materials, metals or real estate. Trading may be frequent in this strategy therefore causing increased costs due to trading and potential income tax costs associated with short term gains. This portfolio may contain equity market risk and sensitivity to interest rate and credit risks.

The following are some general investment strategies we use when managing client accounts.

- Long term purchases. Investments held at least a year.
- Short term purchases. Investments sold within a year.
- Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock for Truro. **Margin transactions are not common and typically only utilized upon request of a specific client.**

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual

funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our Firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produced the expected returns, the value of the investment will decrease.
- Margin Risk – To the extent that you authorize the use of margin, and margin accounts are managed by our Firm, the market value of your account and corresponding fee payable to Truro will be increased. As a result, in addition to understanding and assuming the additional principal

risks associated with the use of margin (see below), clients authorizing margin are advised of the potential conflict of interest whereby the decision to use margin will correspondingly increase the management fee paid to Truro. Accordingly, the decision as to whether to open a margin account is left totally to the discretion of client.

A margin account will be carried by the broker/dealer of your account. The securities purchased in such an account are the broker/dealer's collateral for its loan to you.

If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any Margin Account that may be established as a part of our Investment Management Services and held by your broker/dealer. These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The broker/dealer can force the sale of securities or other assets in your account.
- The broker/dealer can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account that may be liquidated or sold to meet a margin call.
- The broker/dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
- The broker/dealer can increase its "house" maintenance margin requirements at any time and are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

Voting Client Securities

Truro will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities.

Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our Firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our Firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

Item 7 – Client Information Provided to Portfolio Managers

Co-Advisors are responsible for gathering all information provided by clients. Co-Advisors will interview and work with clients to gather all information needed relative to their investment objectives and needs in order to provide management services through the program. Clients need to contact their Co-Advisor whenever there are changes to their financial situation that will impact or materially influence the way Truro manages accounts. All client information is then provided to Truro Portfolio Managers in order to finalize and implement individual client strategies.

Truro discloses very little information about the client to a SAM. Occasionally, we will have a brief discussion about the client in terms of risk, age and why their firm was chosen; but never do we provide written information about their personal or financial situation. Any information that they receive about the client is more likely to come from the information from the broker/dealer chosen to custody and trade the account(s). SAMs very rarely, and typically never, get to meet the client. It is the responsibility of Truro to assess each client's risk tolerance, time frame, investment objectives, portfolio size and prior investment experience to decide if separate accounts would be an effective solution.

Item 8 – Client Contact with Portfolio Managers

There are no restrictions placed on clients' ability to contact and consult with their Co-Advisor. In fact, you are encouraged to contact your Co-Advisor whenever you have questions about an account managed through the Program. Although not prohibited in any way, clients will generally always correspond with their Co-Advisor and will not directly contact Portfolio Managers. Of course, a client may contact a Portfolio Manager directly when appropriate and necessary.

When a SAM is selected for a client, the client does not typically communicate or interact with the SAM. Instead, Truro will serve as communication conduit between the SAM and the client if needed.

Item 9 – Additional Information

Disciplinary Information

This item is not applicable to Truro's brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2A instructions that are material to a client's or prospective client's evaluation of Truro's business or the integrity of Truro's management.

Other Financial Industry Activities and Affiliations

Truro is **not** and does **not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) futures commission merchant, commodity pool operator, or commodity trading advisor, (4) banking or thrift institution, (5) lawyer or law firm, (6) pension consultant, (7) real estate broker or dealer, or (8) sponsor or syndicator of limited partnerships.

The Firm's only business is providing advisory services and investment advice to clients. However, most of our Investment Advisor Representatives are engaged in professions other than giving investment advice through Truro. The following are descriptions of some of their other activities.

U.S. Financial Advisors, LLC

Truro is under common ownership with a retail investment advisor firm, U.S. Financial Advisors, LLC ("USFA") which is also owned by U.S. Wealth Management, LLC. Truro is registered with the SEC, relying on Rule 203A-2(c) under the Investment Advisers Act of 1940, because Truro is under common control with USFA, an investment adviser that is registered with the SEC, and Truro's principal office and place of business is the same as USFA's.

We share investment advisory personnel and Investment Committee members with USFA. Thus, the investment strategies and recommendations provided by Truro are very similar to USFA. However, USFA retains a higher overall fee for its services than does Truro for its services. In addition, USFA does not rely on Co-Advisors to attain new clients and assist it with delivering investment advice to

clients. Therefore, a conflict of interest exists between our interests and the interests of Truro clients in that we are more attentive to clients of USFA. However, generally speaking, the types of investment recommendations and methods of formulating investment advice for USFA clients are the same as those provided to Truro clients.

Arrangement with LPL Financial

As previously detailed in this brochure, our Portfolio Managers and other staff members are also registered representatives of LPL Financial and can provide securities brokerage services under a strictly commission arrangement. However, we do not permit our Portfolio Managers to offer such services to Truro clients. Although all Truro Program accounts are established through LPL Financial, we do not receive any “brokerage compensation” such as 12b-1 fees, commissions and other customary brokerage fees.

U.S. Insurance Brokers, LLC

Most of Truro's Investment Advisor Representatives are also independently licensed insurance agents and may be affiliated with various insurance companies. However, we do not permit our Portfolio Managers to offer insurance services or sell insurance products to Truro clients.

Code of Ethics Summary

Truro has adopted a Code of Ethics which sets forth high ethical standards of business conduct that Truro requires of its employees, including compliance with applicable federal securities laws. Truro's Code of Ethics also includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by Truro's covered persons. Among other things, Truro's Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g. private placement) or an initial public offering. Truro's Code also includes oversight, enforcement and record keeping provisions. A copy of Truro's Code of Ethics is available to Truro's advisory clients upon request to the Chief Compliance Officer at Truro's principal address.

Affiliate and Employee Personal Securities Transactions Disclosure

Truro's supervised persons may buy or sell securities or have an interest or position in a security for their personal account that they also recommend to clients. As these situations may represent a potential conflict of interest, it is a policy of Truro that no associated persons shall prefer his or her own interest to that of the advisory client. No person supervised by Truro may purchase or sell any security prior to a transaction or transactions being implemented for an advisory account. Supervised persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. Truro maintains a list of all securities holdings for itself and all supervised persons, which is reviewed on a regular basis by a principal of the Firm.

Account Reviews and Reviewers

Accounts managed by Truro are reviewed at least quarterly by Truro. The client's Co-Advisor generally reviews accounts with the client on a mutually agreed upon schedule. All clients are encouraged to discuss with Truro, or the client's Co-Advisor, the client's investment objectives, needs and goals, and to keep Truro informed of any changes regarding the client's situation. All clients are encouraged to meet, at least annually, with Truro or the client's Co-Advisor to comprehensively review investment objectives and performance.

Clients will receive account statements and transaction confirmation notices at least quarterly from LPL Financial. In addition, clients receive quarterly performance reports for Program accounts summarizing account performance.

It is important for clients to review all account statements received directly from the custodian. Further, clients are urged to compare position and performance reports against actual account statements. If at any time a client does not receive the most recent account statement(s) or does not have access to account statements, the client should contact his or her Co-Advisor immediately.

The underlying portfolios held in client accounts and recommended by Truro are reviewed on an on-going basis by the Truro Investment Committee: Christopher Shea, Robert Napolitano and John Napolitano. Accounts are managed by Truro in accordance with parameters set forth and determined by the Truro Investment Committee. Christopher Shea, Chief Investment Officer, is in charge of overseeing the day-to-day management of Truro's investment services. Each of the voting members is an original member of the Investment Committee.

Investment Committee

The primary responsibilities of the Investment Committee are:

- Develop Truro's investment philosophy
- Collaborate on the principles of portfolio design and investment management
- Identify the investment objectives Truro's investment portfolios will pursue
- Establish the risk/return profiles for Truro's investment portfolios
- Monitor the execution of Truro's portfolios for tracking of expected outcomes
- Collaborate to arrive at a consensus view on Truro's investment outlook and forecasts, and to identify promising opportunities
- Prioritize investment research, process development, and staff utilization initiatives
- Monitor and confirm the continuing alignment of the investment products and company activities with Truro's business objectives
- Address and resolve operational and administrative issues as needed

It is the responsibility of the Chief Investment Officer to oversee the implementation of Truro portfolios' investment design and processes, set the agenda for Investment Committee meetings, including the preparation and distribution of relevant research and background materials, and to supervise and conduct ongoing research and portfolio design initiatives with the assistance of the research staff and other team members as needed to meet the goals established by the Investment Committee.

Client Referrals and Other Compensation

Client Referrals

Certain clients that engage Truro's services as result of referrals from Co-Advisors may pay more or less to obtain Truro's investment management services than do other clients, since a portion of the overall fee is determined by the Co-Advisor. In such situations, where the client pays more, the engagement shall result in an additional charge to the client in excess of what the client would have paid if the client were to engage the services of Truro independent of the Co-Advisor's introduction. Variations in the Co-Advisor's compensation may be due to the Co-Advisor's role as an unaffiliated investment adviser or investment adviser representative for the consulting and monitoring services the Co-Advisor may provide to the client on an ongoing basis relative to the client's engagement of

Truro. Such arrangements, and their terms and conditions, are exclusively determined between the client and the Co-Advisor, and Truro will not be a party to these arrangements. USFA clients may pay more or less to obtain Truro's investment management services than clients referred to Truro by a Co-Advisor.

In addition to the fee arrangements described above, Truro provides Co-Advisors with certain non-cash economic benefits or incentives. These services and benefits are generally available to all unaffiliated Co-Advisors, but not all Co-Advisors will necessarily utilize the benefits and services. Benefits include strategic business planning services provided by Truro. Services are provided through complimentary workshops, seminars and other consultations. A Co-Advisor's decision to recommend Truro may be based on the receipt of the additional services and benefits and not completely based on the Co-Advisor's objective analysis of Truro's portfolio management performance and factors relating solely to the Co-Advisor's client's investment mandates. Therefore, a Co-Advisor's receipt of benefits and services provided by Truro creates a conflict of interest between Co-Advisors and their clients.

Truro receives client referrals from its related investment advisor firm, USFA. In these situations, USFA serves as an affiliated solicitor to Truro and will receive a portion of the overall advisory fee paid by the client to Truro. Because USFA receives a portion of the fee charged by Truro and is a related person to Truro, USFA has an economic incentive to refer clients to Truro. However, USFA may also refer its clients to unaffiliated third-party money managers. USFA clients will receive a copy of the USFA Form ADV Part 2. USFA clients that are referred to Truro for its investment management services must execute the Truro Investment Management Agreement which will list USFA as the Co-Advisor. It should be noted that services provided by USFA are not available to clients of unaffiliated investment advisors.

Other Compensation

The only form of compensation received from advisory services is the fees charged for providing investment advisory services as described in Item 4 of this brochure.

We may from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

Financial Information

Truro does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. Truro is not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Truro has not been the subject of a bankruptcy petition at any time.