

# Wrap Fee Program Brochure

April 1, 2013

## Syntal Capital Management Program

Sponsored By



1901 Heritage Boulevard  
Midland, Texas 79707

855-872-7900

[www.SyntalCapitalPartners.com](http://www.SyntalCapitalPartners.com)

This brochure provides information about the qualifications and business practices of Syntal Capital Partners, LLC (hereinafter "Syntal" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number above. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority. Additional information about Syntal is available on the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Syntal is an SEC registered investment adviser. Registration does not imply any level of skill or training.

### **Item 2. Material Changes**

In this Item, Syntal is required to discuss any material changes that have been made to the brochure since the last annual amendment. While the format and verbiage of the brochure have been overhauled, no substantive changes have been made. As such, there are no material changes to disclose pursuant to this Item.

## Item 3. Table of Contents

Item 1. Cover Page .....	i
Item 2. Material Changes .....	ii
Item 3. Table of Contents .....	iii
Item 4. Services, Fees and Compensation .....	4
Item 5. Account Requirements and Types of Clients .....	7
Item 6. Portfolio Manager Selection and Evaluation .....	7
Item 7. Client Information Provided to Portfolio Managers .....	14
Item 8. Client Contact with Portfolio Managers .....	14
Item 9. Additional Information .....	14

## Item 4. Services, Fees and Compensation

The Syntal Capital Management Program (the “Program”) is an investment advisory program sponsored by Syntal, a registered investment adviser which has been in business since April 2012.

While this brochure generally describes the business of Syntal as it relates to services rendered through the Program, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Syntal’s behalf and is subject to the Firm’s supervision or control.

In addition to the Program, the Firm also offers financial planning, consulting and investment management services under different arrangements than those described herein. Information about these services is contained in Syntal’s Disclosure Brochure, which is also referred to as Part 2A of the Firm’s Form ADV.

### Description of the Program

---

The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee that is not based upon transactions in their accounts.

Prior to receiving services through the Program, clients are required to enter into a written agreement with Syntal setting forth the relevant terms and conditions of the advisory relationship (the “*Agreement*”). Clients must also open a new securities brokerage account and complete a new account agreement with Fidelity Institutional Wealth Services (“*Fidelity*”), Pershing, LLC through Pershing Investment Manager Services (“*Pershing*”), or another broker-dealer Syntal approves under the Program (collectively “*Financial Institutions*”).

At the onset of the Program, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, Syntal assists its clients in developing an appropriate strategy for managing their assets. Clients’ investment portfolios are generally managed on a discretionary or non-discretionary basis by Syntal and/or an independent investment manager (collectively “*Independent Managers*”), as selected by Syntal. Syntal and/or the *Independent Managers* generally allocate clients’ assets among the various investment products available under the Program, as described further in Item 6 (below).

## Fees for Participation in the Program

Investment management services are offered through the Program on a fee basis, meaning that clients pay a single annualized fee based upon assets under management. Syntal's asset based fee generally ranges up to 125 basis points (1.25%), depending upon the amount of the assets being managed under the Program, as follows:

PORTFOLIO VALUE	ANNUAL FEE
Up to \$2,500,000	1.25%
\$2,500,001 – \$5,000,000	1.15%
\$5,000,001 – \$10,000,000	1.00%
Over \$10,000,000	Negotiable

The annual fee is prorated and charged quarterly in advance, based upon the average daily value of the assets being managed by Syntal during the previous quarter. Since the fee is determined by average daily account balance, if assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted accordingly. For the initial term of an engagement, the fee is calculated on a pro rata basis. In the event the Agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the unearned portion is refunded to the client, as appropriate.

The Firm and its *Supervised Persons* also offer advisory and other related services outside of the Program under different fee arrangements than those discussed herein.

## Fee Comparison

A portion of the fees paid to Syntal are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios. In order to provide greater transparency, the fees charged by the *Independent Managers* engaged to provide services under the Program are separate and additional to the fee paid to Syntal. *Independent Managers* servicing accounts through the Program generally charge an annual fee based upon the assets under their management, which generally ranges between 15 and 50 basis points (0.15 – 0.50%).

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

## Fee Discretion

Syntal, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be

managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

### **Direct Fee Deduction**

---

Clients generally provide Syntal with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The Financial Institutions that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Syntal. Alternatively, clients may elect to have Syntal send them an invoice for direct payment.

### **Account Additions and Withdrawals**

---

Clients may make additions to and withdrawals from their account at any time, subject to Syntal's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Syntal, subject to the usual and customary securities settlement procedures. However, Syntal designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Syntal may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

### **Other Charges**

---

Clients may incur certain charges imposed by third parties in addition to the Program fee. These additional charges may include fees charged by the *Independent Managers*, charges imposed directly by a mutual fund or exchange-traded fund ("ETF") in the account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

### **Compensation for Recommending the Program**

---

Syntal has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation.

## Item 5. Account Requirements and Types of Clients

### Minimum Annual Fee

---

As a condition for starting and maintaining an investment advisory relationship, Syntal generally imposes a minimum annual fee of \$5,000.

This minimum fee may have the effect of making Syntal's services cost prohibitive for certain clients with smaller portfolios. Syntal, in its sole discretion, may waive its minimum annual fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationships, account retention and pro bono activities.

Additionally, certain Independent Managers may impose more restrictive account requirements and varying billing practices than Syntal. In such instances, Syntal may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

### Types of Clients

---

Services through the Program are offered to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

## Item 6. Portfolio Manager Selection and Evaluation

Syntal acts as the sponsor and sole portfolio manager under the Program. Clients' investment portfolios are managed either directly by Syntal or through the use of certain *Independent Managers*, as referenced above.

### Portfolio Management

---

Syntal manages client investment portfolios on a discretionary or non-discretionary basis.

Syntal primarily allocates client assets among various *Independent Managers*, mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and options, as well as the securities components of variable annuities and variable life insurance contracts, in accordance with the investment objectives of its individual clients. In addition, Syntal may also recommend that clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge

funds). Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage Syntal to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Syntal directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Syntal tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. Syntal consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify Syntal if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Syntal determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

## Selection of Independent Managers

---

Syntal evaluates various information about the *Independent Managers* in which it selects to manage client portfolios under the Program. The Firm generally reviews a variety of different resources, which may include the *Independent Managers'* public disclosure documents, materials supplied by the *Independent Managers* themselves, and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the *Independent Managers'* investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposures. Syntal also takes into consideration each *Independent Manager's* management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other related factors.

Syntal generally monitors the performance of those accounts being managed by *Independent Managers* by reviewing the account statements and trade confirmations produced by the *Financial Institutions*, as well as other performance information furnished by the *Independent Managers* and/or other third-party providers. The Firm does not verify the accuracy of any such performance information and does not ensure its compliance with presentation standards. Clients are advised that any performance information they receive from the *Independent Managers* may not be calculated on a uniform and consistent basis. Clients should compare all supplemental materials with the account statements they receive from their respective custodians.

The terms and conditions under which the client engages an *Independent Manager* are set forth in a separate written agreement between Syntal or the client and the designated *Independent Manager*. In



addition to this Brochure, the client also receives the written disclosure brochure of the designated *Independent Managers* engaged to manage their assets.

### **Side-By-Side Management**

---

Syntal does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

### **Methods of Analysis**

---

Syntal generally utilizes a combination of largely fundamental, technical and/or cyclical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Syntal, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Syntal will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that Syntal is recommending. The risks with cyclical analysis are similar to those of technical analysis.

### **Investment Strategies**

---

#### *Investment Advisory Services*

Syntal offers discretionary and non-discretionary management of client assets. The Firm works with each client to create a portfolio that is aligned with the client's unique investment objectives, risk tolerances, and philosophical beliefs on asset management. Client assets are managed through proprietary and non-proprietary investment strategies and services to meet the unique needs of the client. Syntal may select *Independent Managers* or mutual funds that it believes have expertise in managing a particular asset class that fits within the client's asset allocation strategy.

### *Portfolio Construction*

When constructing client portfolios, based upon client preferences, the Firm will deploy strategic and tactical asset allocation strategies. Clients with a strong belief in strategic allocation over tactical allocation will have a greater percentage of their portfolio's weighted to strategic allocation strategies and vice versa. Syntal principals believe that each strategy (tactical and strategic) have merit. If the client doesn't have a strong preference Syntal will develop the allocation between the strategic and tactical portfolio based on the Firm's optimized allocation models.

### *Tactical Allocation Strategies:*

Tactical allocation strategies rely heavily on proprietary risk models to assist in the allocation shifts of the portfolio. There are four variation of the tactical strategy (1) Long Only (2) Long/Short (3) Levered Long Only (4) Levered Long/Short.

## **Risks of Loss**

---

### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

### *Market Risks*

The profitability of a significant portion of Syntal's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Syntal will be able to predict those price movements accurately.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## *Leveraged and Short ETFs*

Leverage and short positions are generally established through the use of ETFs. Investing in these funds may be more volatile than investing in broadly diversified funds. The use of leverage by a fund means that funds are riskier than alternatives which do not use leverage. These funds are not designed to track the underlying index for a longer period of time. There is not guarantee that the funds will achieve their objectives. The leveraged ETFs are not suitable for all investors and should be utilized only by sophisticated investors who understand leverage risk, consequences of seeking daily leveraged investment results and intend to actively monitor and manage their investments. Due to the daily nature of the leverage employed, there is no guarantee of amplified long-term returns.

## *Options*

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Option transactions involve inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of option contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

## *Use of Independent Managers*

Syntal may recommend the use of Independent Managers. In these situations, Syntal continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Syntal generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

## *Use of Private Collective Investment Vehicles*

Syntal recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial

instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and other offering documents explaining such risks prior to investing.

## *Master Limited Partnerships (MLPs)*

Master Limited Partnerships ("MLPs") are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities, meaning that investors are liable for their *pro rata* share of the partnership taxes, regardless of the types of accounts where the interests are held.

## *Real Estate Investment Trusts (REITs)*

Syntal may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

## *Exchange-Traded Notes (ETNs)*

Syntal may recommend an investment in, or allocate assets among, various exchange-traded notes ("ETNs"). ETNs are unsecured debt securities which are listed on securities exchanges and transacted at negotiated prices in the secondary market. ETNs are designed to track the performance of a corresponding benchmark. An ETN is essentially a contract between an issuer and the ETN holder, whereby the issuer, upon maturity, agrees to pay an amount relative to the returns of the underlying benchmark. In addition to the risks associated with the specific benchmark, ETN holders are also subject to various counterparty concerns. In this respect, the value of an ETN may be adversely impacted by a downgrade to the issuer's credit rating and/or an unwillingness or inability of the issuer to perform its contractual obligations.

## *Management Through Similarly Managed "Model" Accounts*

Syntal manages certain accounts through the use of similarly managed “model” portfolios, whereby the firm allocates all or a portion of its clients’ assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients’ net after tax gains. While the Firm seeks to ensure that clients’ assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client’s individual tax ramifications. Clients should contact Syntal if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

### **Voting of Client Securities**

---

Syntal may accept the authority to vote clients’ securities (i.e., proxies) on their behalves. Subject to the Firm’s ongoing oversight, Syntal generally delegates this responsibility to Institutional Shareholder Services Inc. (“ISS”), an independent company that provides institutional proxy voting and corporate governance solutions. ISS has established a policy for voting proxies and other corporate actions, which Syntal has adopted in whole. The Firm’s Chief Compliance Officer is responsible for monitoring this process in an effort to ensure that votes are cast in a manner that is both timely and consistent with clients’ best interests. Clients may contact Syntal for a copy of the Firm’s proxy voting policies and procedures.

## Item 7. Client Information Provided to Portfolio Managers

Clients participating in the Program generally grant Syntal the authority to discuss certain non-public information with the *Independent Managers* engaged to manage their accounts. Depending upon the specific arrangement, the Firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. Syntal may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the *Independent Managers'* investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

## Item 8. Client Contact with Portfolio Managers

There are no restrictions on clients' ability to correspond with Syntal. Clients can generally contact the *Independent Managers* managing their portfolios through Syntal by providing the Firm with written request and identification of the questions or issues to be discussed with the *Independent Managers*. After receiving the client's written request, Syntal, at its sole discretion, may contact the *Independent Managers* for the client or arrange for the *Independent Managers* and the client to communicate directly.

## Item 9. Additional Information

### Disciplinary Information

---

Syntal has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

### Other Financial Industry Activities and Affiliations

---

#### *Registered Representatives of Broker Dealer*

Certain of the Firm's Supervised Persons are registered representatives of PKS and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

### *Receipt of Insurance Commission*

Certain of Syntal's Supervised Persons, in their individual capacities, are licensed insurance agents. When appropriate, these Supervised Persons, in their individual capacities, may recommend the purchase of certain insurance products to advisory clients on a fully-disclosed commission basis. A conflict of interest exists to the extent that Syntal recommends the purchase of insurance products where its Supervised Persons receive insurance commissions or other additional compensation. As a result Syntal has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of its clients.

### *Affiliated Private Investment Funds*

As described in Item 4, Syntal serves as the investment manager to the Private Funds, which are pooled investment vehicles under common control with the Firm. This relationship presents a potential conflict of interest due to the underlying financial incentive to recommend an investment in the Private Funds. Investors are encouraged to read through the Offering Documents which detail the risks and conflicts associated with an investment in the Private Funds.

### *Servicing Relationships with Other Financial Institutions*

Syntal has arrangements in place with certain Financial Institutions whereby the Firm provides various consultative, back office and client servicing functions on their behalves. These servicing relationships could potentially give rise to a conflict of interest if Syntal recommends or selects an investment product or manager that is in some way associated with, or controlled by, such a Financial Institution. Nevertheless, it is the policy of Syntal to at all times put the interests of its client first. Accordingly, Syntal seeks to ensure that all investment decisions are made in an objective manner and are not influenced by any arrangements under which the Firm may be entitled to compensation.

## **Code of Ethics**

---

Syntal has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Syntal's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of equity ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Syntal's personnel (called "Access Persons") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, Syntal Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by Access Persons to be completed without any

appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client where there may be a potential for conflict, no Access Person may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the Access Person) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Access Person is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Syntal to request a copy of its Code of Ethics.

### **Account Reviews**

---

Generally, Syntal monitors clients' investment portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Financial planning reviews are conducted on an "as needed" basis. All such reviews are conducted or overseen by a Principal and/or investment adviser representative of the Firm. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Syntal and to keep Syntal informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### **Account Statements and General Reports**

---

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. Depending upon the engagement, clients may also receive written or electronic reports from Syntal and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. These reports are generally sent to clients on either a monthly or quarterly basis, depending upon the specific engagement. Clients should compare the account



statements they receive from their custodian with any reports or materials they receive from Syntal or an outside service provider.

### **Client Referrals**

---

Syntal has arrangements in place whereby the Firm provides compensation to an unaffiliated third-party for referring clients to the Program. In the event a client is introduced to Syntal by a solicitor, Syntal may pay that solicitor a referral fee in accordance with applicable laws, rules and regulations. All referral fees are paid solely from Syntal's Program fee and do not result in any additional charges to the Firm's clients. In these situations, clients are advised of the solicitation relationship with Syntal and are provided with the appropriate Wrap Fee Program Brochure and/or Disclosure Brochure prior to or at the time the *Agreement* is executed. Additionally, any third-party solicitors who are not affiliated with Syntal also provide clients with a copy of the solicitor's disclosure statement containing the terms and conditions (including compensation) of the solicitation arrangement.

### **Receipt of Economic Benefit**

---

Syntal has arrangements in place whereby the Firm receives an economic benefit from a third-party for providing investment advice to clients participating in the Program. Specifically, *Fidelity* and *Pershing* may provide the Firm with computer software and related systems support, which allow Syntal to better monitor client accounts maintained at *Pershing* or *Fidelity*, respectively. Syntal may receive the software and related support without cost because Syntal renders investment management services to clients that maintain assets at *Fidelity* or *Pershing*. The software and related systems support may benefit Syntal, but not its clients directly. In fulfilling its duties to its clients, Syntal endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Syntal's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Syntal's choice of broker-dealer over another that does not furnish similar software, systems support, or services.

### **Financial Information**

---

Syntal is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.



Prepared by:

