



# **CAIN & CO. LLC-Firm Brochure**

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## Material Changes

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## **Advisory Business**

Investment Management Services – CAIN & co provides non-discretionary investment consulting to endowments, not-for profits, foundations, pension plans and retirement plan sponsors  
. Generally our consulting services will fall into one or more of the following:

- *Baseline Assessment* – Upon entering into an advisory agreement, CAIN & co will draft, and the Client will sign, a statement of Investment Guidelines. This statement will be based upon conversations and information collected during the interview stage. CAIN & co will collect information concerning the Client's financial status, goals, and assets, among other things.
- *Development of investment Policy Statement (IPS)* – Based on the information provided by the Client, CAIN & co may furnish the Client with an "Investment Policy Statement" and/or Client Profile as necessary, which summarizes the Client's current investment portfolio, investment goals and objectives, and risk tolerance level.
- *Portfolio Design and Implementation* – Upon completion of this investment objective information, CAIN & co will design the Client's investment portfolio, implementing an investment plan for the Client. In designing a portfolio, CAIN & co does not adhere to rigid models or benchmarks. Every portfolio is constructed based solely on each Client's objectives and financial profile.
- *Investment Monitoring and Maintenance* – CAIN & co will continuously monitor investment portfolios to ensure that the portfolio meets the Client's goals and objectives. Further, CAIN & co monitors each Client portfolio in order to ensure they are invested in accordance with CAIN & co.'s firm-wide investment guidance and economic outlook.

It is the Client's responsibility to notify CAIN & co promptly, in writing, of any change to the information provided by Client, including any change to any investment objectives, risk tolerance, investment time horizon, and any investment policies, guidelines or reasonable restrictions. CAIN & co will honor Client restrictions unless those restrictions impair CAIN & co.'s ability to manage Client assets.

Accounts are typically managed on a non-discretionary basis.

## **Assets Under Management**

As a new investment-consulting firm, CAIN & co. llc does not have any assets under management at present. We are confident that we will have, at a minimum, the assets required under FINRA regulations for new investment consulting organizations within the prescribed 120 days from inception

## **Fees and Compensation**

For pension, endowment, & foundation clients where we are providing non-discretionary advice investment advice fees will range between .2-.6% and may be negotiated on a case by case basis.

For retirement plan clients (specifically 401k, 403(b), and 457 plans), our fees range between .01-.04 percent of the assets on a three-year rolling basis

## Performance Based Fees

CAIN & co. does not charge performance-based fees

## Types of Clients (Account Minimums and Custodians)

CAIN & co. may provide services to a variety of client types. However, CAIN & co. clients will typically fall into one of the following categories:

- 501(c)(3) Non Profit Corporations – Generally, non-profit organization clients of CAIN & co will be organizations investing cash reserves to support a group or mission. Non-profit corporations may be charitable groups or Native American tribes.
- Pension and Profit Sharing plans – Generally organized as a trust, investing the assets of plan participants
- Other Financial Service Firms – Typically other investment advisors for whom CAIN & co provides investment, operational and/or administrative support

The relative percentage each client type currently represents is available on our Form ADV Part 1. The actual mix of types of clients changes over time based upon market conditions, business plans and other factors.

For accounts governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), CAIN & co. llc. acknowledges that it is a fiduciary to the plan under Section 3(38) of ERISA. In providing its services, the sole standard of care imposed upon CAIN & co. Is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

### B. Fee Billing

Asset-Based Fee – Fees are a fixed percentage of assets under management, based upon the account value on the last day of the prior month. Fees for investment management services vary depending on the amount of assets to be managed. Clients are invoiced monthly in arrears for advisory services. For accounts opened during the month fees will be prorated to cover only that period which the account was managed by CAIN & co.

Asset-based management fees will be automatically deducted from the client account by the Custodian. CAIN & co shall send a monthly invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account. The amount due is calculated by applying the annual rate in the table above to the total assets under management with CAIN & co at the end of each month. Each billing will be for a single month, paid in arrears. Clients will receive independent statements from the Custodian no less frequently than quarterly. It is the responsibility of the client to verify the accuracy of these fees as listed on the Custodian’s brokerage statement as the Custodian does not assume this responsibility.

## Methods of Analysis, Investment Strategies and Risk of Loss

Our methods for analysis are broken down into two parts:

- 1) Global Economics and Markets;
- 2) Portfolio managers for funds (or similar investments) that we wish to add to models.

All of the investment portfolio models that we manage for clients involve the potential risk of loss of principal. We do not offer any guarantees on any investment that we manage. Of course, the more conservative investment portfolio models are intended to carry less of a risk of loss in the short-term, but even these models can lose value on any given day. IF a client wants guaranteed products we generally refer them to a financial institution that offers those types of accounts. Specific risks that could affect the value of accounts include but are not limited to: business risk – the risk of the business invested in performing poorly; currency risk – the risk of fluctuating exchange rates;

inflation risk – the risk of loss of purchasing power due to the increase in costs over time due to rising prices; interest rate risk – the risk of rising interest rates for an income producing investment; liquidity risk – the risk associated with trying to close out a position; market risk (systemic risk) – the risk associated with the overall market; and regulatory risk – the risk of a change in law and regulation on the investment.

## **Disciplinary Information**

CAIN & co and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Background information is available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions.

**There are no legal, regulatory or disciplinary events involving CAIN & co or any of its employees.**

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

CAIN & co.'s sole business is providing investment advisory services and is not engaged in any other business endeavor. CAIN & co maintains no affiliations with other firms outside of contracted service providers and those to which CAIN & co provides contracted services.

## **Codes of Ethics**

The Company's Code of Ethics is written to assist with maintaining an atmosphere of disclosure to avoid any potential conflicts of interests with clients and compliance with applicable securities laws. The Company reviews personal securities transactions of all staff members and prohibits many transactions that could potentially create a client conflict.

If a staff member of the Company has an account that is not managed by the Company, such account is closely scrutinized so as to not conflict with client interests, appearance of a conflict of interest with clients. With the exception of legacy investments, staff members have all of their investment assets in a model portfolio run by the Company including brokerage accounts, annuities, 401(k) accounts all in the same model portfolios as our clients, and the Company encourages any new hires to open accounts with the Company.

## **Brokerage Practices**

### **A. Recommendation of Custodian[s]**

CAIN & co does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services. The Client will select the broker-dealer or custodian (herein the "Custodian") to safeguard Client assets and authorize CAIN & co to direct trades to this Custodian as agreed in the Investment Management Agreement.

Further, CAIN & co does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where CAIN & co does not exercise discretion over the selection of the Custodian; it may recommend the custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the recommended Custodian and will not incur any extra fee or cost associated with using a broker not recommended by CAIN & co. CAIN & co may recommend a Custodian based on criteria such as, but not limited

to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the Custodian's offices. CAIN & co does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers.

**1. *Soft Dollars*** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services.

**CAIN & co does not participate in soft dollar programs sponsored or offered by any broker-dealer.**

**2. *Brokerage Referrals*** - CAIN & co does not receive any compensation from Fidelity or any other entity in connection with the recommendation for establishing a brokerage account.

**3. *Directed Brokerage*** - All Clients are serviced on a "directed brokerage basis", where CAIN & co will place trades within the established account[s] at the custodian designated by the Client. Such custodian

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution,

4) Confidentiality and 5) skill required of the broker. CAIN & co will execute its transactions through an unaffiliated broker-dealer selected by the Client. CAIN & co may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## **Review of Accounts**

Client accounts are reviewed on a day-to-day basis for contributions, distributions, and other issues, which may impact the relationship of the account to its specified model.

Models are reviewed daily for performance and adjustments to models are made as frequently as quarterly and at least annually. The investment vehicles inside the models are reviewed daily for changes in management and other such issues, which would put the fund on a watch list.

Clients should notify the Company promptly of any changes to the client's financial goals, objectives or financial situation as such changes may require a review of the portfolio and make recommendations for changes.

Clients receive detailed monthly or quarterly statements of account activity, holdings and values as well as confirmations of purchases and sales from qualified independent custodians.

## **Client Referrals**

CAIN & co does not pay any 3<sup>rd</sup> party for client referrals nor will we accept compensation for clients we may refer out, from time to time

## **Custody**

The Company does not retain custody of client assets. The main custodians we utilized for clients are discussed in "Account Minimums and Custodians" section

above. As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

### **Voting Client Securities**

The Company neither votes proxies for clients, nor provides advice to clients about how to vote proxies. The custodians send proxies directly to clients for voting and the Company does not take instructions from clients for voting.

### **Financial Information**

The Company does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

### **Privacy Policy**

The Company is committed to maintaining the confidentiality, integrity and security of personal information about our current and prospective clients. We consider customer privacy to be fundamental to our relationship with clients. It is therefore our policy to respect the privacy of current and former clients and to protect personal information entrusted to us. This policy describes the steps we have taken to safeguard your information and what client information we may share with others. We are proud of our privacy practices and want you to know how we protect information used to provide you with service. You do not have to contact us to benefit from our privacy protections; they apply automatically to all of our clients.

### **Information We Collect and Maintain:**

We collect and discriminate share with others the following types of personal information about you:

- Information we receive from you to open an account or provide investment advice to you (such as your home address, telephone number, Social Security or taxpayer identification number, e-mail address, age, marital status, assets, and income financial information);



- Information that we generate to service your account (such as trade tickets and account statements); or
- Information that we may receive from third parties with respect to your account (such as trade confirmations).

**Information We Disclose**

We will not disclose any Non-public Personal Information about institutions Account(s) to anyone unless one of the following conditions is met:

- Firm receives prior written consent;
- Firm believes the recipient is your authorized representative;
- Firm discloses your Non-public Personal Information as necessary to effect or process a transaction in any account, or to maintain or service your account(s);
- Firm is required by law to disclose information to the recipient.

In all such situations, we stress the confidential nature of information being shared.

**We may share your personal information with:**

- Non-affiliated companies that provide processing, account maintenance and related services in connection with your investments and other transactions handled by us; and
- Non-affiliated companies and government agencies only to the extent permitted or required by law, for legal, regulatory or other purposes (for example, for tax purposes or for reporting suspicious transactions).

**How We Protect Personal Information** We maintain the confidentiality, security and integrity of your non-public personal information by:

- Restricting access to your Non-public Personal Information to those employees with a legitimate need for the information; and
- Maintaining physical electronic and procedural safeguards that meet or exceed federal and industry standards governing how Non-public Personal Information should be stored.

We have not and will not sell your personal information anyone, even if our formal client relationship ends.

The policies and practices listed above apply to both current and former clients.