

Item 1 Cover Page

Part 2A of Form ADV: *Firm Brochure*

Terra Nova Asset Management LLC

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March 25, 2014

This brochure provides information about the qualifications and business practices of Terra Nova Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at 212.355.1234 or baumgartner@terranovalusa.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 Terra Nova Asset Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 111676.

Item 2 Material Changes

This brochure dated March 25, 2014, serves as an update to the last annual update of the brochure dated April 1, 2013.

The material updates and changes since the last annual update of the brochure are as follows:

- Item 14 has been updated to include a new arrangement whereby Terra Nova Asset Management, LLC compensates a solicitor for client referrals. For any client whom he refers, the solicitor will receive a portion of that client's investment advisory fee. The solicitation fee will not affect the client's investment advisory fee amount. Any clients who are referred by the solicitor will receive a separate disclosure statement detailing the referral arrangement and compensation involved.
- Clients may contact Daniel Baumgartner, Chief Compliance Officer, at 212.355.1234 or baumgartner@terranoausa.com if they have any questions about the information summarized above.

We will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Terra Nova Asset Management LLC is an SEC-registered investment adviser with its principal place of business located in New York. Terra Nova Asset Management LLC began conducting business in 1998. Terra Nova Asset Management LLC provides advisory services either directly or through its wholly owned subsidiary, Terra Nova Asset Management (BVI) Limited (collectively, the “firm”).

The principal shareholders of a firm are those individuals and/or entities owning 25% or more of the company. Petra Maria Peters is the principal owner of the firm.

Our firm provides continuous asset management of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on the client's particular circumstances are established, we develop the client's investment objectives and guidelines. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may also review and discuss a client's prior investment history, as well as family composition and background.

We primarily manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio quarterly, and if necessary, on a more frequent basis, based on the client's individual needs. Our investment recommendations are not limited to any specific types of investments, but will typically include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Municipal securities
- United States governmental securities

Because some types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

As of December 31, 2013, we managed \$188,747,153 of client's assets on a discretionary basis.

Item 5 Fees and Compensation

Our annual fees for investment advisory services are based upon a percentage of assets under management and generally range from 0.65% to 1.50% and are calculated and billed quarterly in arrears. In limited circumstances, our fees for investment advisory services are based on the performance of the clients' assets under management or are charged as a fixed fee.

A minimum of \$1,000,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Terra Nova Asset Management LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annual fee. An annual minimum fee of \$2,500 per account will apply.

Terra Nova Asset Management LLC debits the investment advisory fee directly from a client's account. Terra Nova Asset Management LLC can also send an invoice to the client rather than directly debit the client's quarterly fee, upon request.

Limited Negotiability of Advisory Fees: Although Terra Nova Asset Management LLC has established the aforementioned fee schedule, we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other factors. The specific annual fee schedule is identified in the contract between the firm and each client.

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

Mutual Fund Fees: All fees paid to Terra Nova Asset Management LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

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

Terra Nova Asset Management LLC can potentially receive greater investment advisory fees from an account paying a performance-based fee than from an account paying an asset-based or fixed fee. This represents a potential conflict of interest because an incentive exists to favor accounts that are charged a performance-based fee or to allocate time, services or functions to clients paying performance-based fees. For example, an incentive exists to direct the best investment ideas to, or allocate or sequence trades in favor of, the account that pays the performance fee. Terra Nova Asset Management LLC has policies and procedures to ensure that its trading practices are fair to all clients and that no client or account is

advantaged or disadvantaged over any other.

Item 7 Types of Clients

Terra Nova Asset Management LLC offers advisory services to high net worth individuals, family offices, and institutional clients. As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided.

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

Terra Nova Asset Management LLC invests client assets in both equity and fixed income securities and does so in a manner that is appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations. We typically purchase securities with the idea of holding them in the client's account for a year or longer and employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

We use both technical and fundamental methods of analysis in formulating our investment advice and managing client assets.

Fundamental Analysis: We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Clients should understand that investing in any securities involves a risk of loss of both income and principal that clients should be prepared to bear.

Each type of security has its own unique set of risks that are not always easily identifiable. These risks affect the performance and the volatility of any investment. For example, investments are affected by general economic and market conditions such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. Investments are also subject to currency, political and business risks.

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to

indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

As indicated in Item 4 above, Terra Nova Asset Management LLC provides advisory services directly or through its wholly owned subsidiary, Terra Nova Asset Management (BVI) Limited. Investment advisory services are provided to clients in a similar manner and by the same supervised persons, irrespective of whether the investment advisor agreement is entered into with Terra Nova Asset Management LLC or Terra Nova Asset Management (BVI) Limited.

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics (the "Code") which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Terra Nova Asset Management LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics 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 the firm's access persons. Among other things, our 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. Our code also provides for oversight, enforcement and recordkeeping provisions.

Terra Nova Asset Management LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

Terra Nova Asset Management LLC and individuals associated with our firm are prohibited from engaging in principal transactions or in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities

identical to or different from those recommended to our clients, and may do so at or about the same time as transactions in client accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may take advantage of transaction(s) being implemented for an advisory account, or benefit from transactions placed on behalf of advisory accounts in any way.

Contact Daniel Baumgartner, Chief Compliance Officer, at 212.355.1234 or baumgartner@terranovalusa.com to request a copy of the Code.

Item 12 Brokerage Practices

Custodian and Broker Selection: Terra Nova Asset Management LLC recommends the brokerage and custodial services of Charles Schwab & Co., Inc. (“Schwab”) and Fidelity Investments (“Fidelity”) (collectively, the “Recommended Custodians”). Terra Nova Asset Management LLC seeks to obtain the “best execution” for client securities transactions. In seeking best execution, the determinative factor is not necessarily the lowest possible cost, but whether the transaction represents the best qualitative execution. Terra Nova Asset Management LLC recommends the services of the Recommended Custodians based on a number of factors including the brokers’ stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Terra Nova Asset Management LLC in providing investment management services to clients. Terra Nova Asset Management LLC may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Directed Brokerage: Clients determine the broker-dealer and custodian to be used; however, for custodian and/or brokerage services the options are typically limited to the Recommended Custodians. Not all investment advisers require their clients to use the brokerage and clearing services of a limited number of firms. The commissions and transaction fees charged by the Recommended Custodians may be higher (or lower) than what other broker-dealers charge and this practice could cost clients more money. Further, in using only the Recommended Custodians, Terra Nova Asset Management LLC could be unable to achieve the most favorable execution of client transactions.

It should be noted that certain client accounts do not use the brokerage and custodial services of the Recommended Custodians and use the services of other entities such as Deutsche Bank, the Bank of New York and/or State Street.

Soft Dollar Benefits: Consistent with obtaining best execution for clients, Terra Nova Asset Management LLC may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to Terra Nova Asset Management LLC and, indirectly, to Terra Nova Asset Management LLC's clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at our discretion). Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker.

Terra Nova Asset Management LLC does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. Terra Nova Asset Management LLC may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if Terra Nova Asset Management LLC determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to its ('brokerage') discretionary client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and Terra Nova Asset Management LLC makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services are paid by our firm to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When Terra Nova Asset Management LLC uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that Terra Nova Asset Management LLC does not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, because we have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients.

The products and services we obtained on a soft- dollar basis include Bloomberg data, Telemet, Advent Axys software and Moxy software.

Block Trading: Terra Nova Asset Management LLC will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner and at an average share price and commission. Terra Nova Asset Management LLC will typically aggregate trades among clients whose accounts can be traded at a given broker. Specifically, Terra Nova Asset Management LLC is only able to block transactions for clients with assets that are held at the same custodian. For example, Terra Nova Asset Management LLC is unable to bunch a transaction for a client with assets maintained at Charles Schwab & Co., Inc. with transactions for a client with assets maintained at Fidelity Investments. In aggregating transactions, no client or account will be favored over another.

Other Benefits - Schwab: As previously mentioned, Terra Nova Asset Management LLC may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we may recommend that clients

establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Terra Nova Asset Management LLC is independently owned and operated and not affiliated with Schwab.

Schwab provides Terra Nova Asset Management LLC with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit Terra Nova Asset Management LLC but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Terra Nova Asset Management LLC. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Other Benefits - Fidelity: As previously mentioned, Terra Nova Asset Management LLC has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Terra Nova Asset Management LLC in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Terra Nova Asset Management LLC to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Terra Nova Asset Management LLC (within specified parameters).

Terra Nova Asset Management LLC may also receive additional services which may include other research services. Without this arrangement, we might be compelled to purchase the same or similar services at our own expense.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Terra Nova Asset Management LLC's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Terra Nova Asset Management LLC will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Terra Nova Asset Management LLC and Fidelity are not affiliated.

Item 13 Review of Accounts

REVIEWS: The underlying securities within portfolios are continually monitored and reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Daniel Baumgartner, Managing Partner, and Petra Peters, Managing Partner.

REPORTS: In addition to the written monthly statements and confirmations of transactions that clients receive from their custodian and/or broker-dealer, Terra Nova Asset Management LLC will provide written monthly reports summarizing balances and holdings.

Item 14 Client Referrals and Other Compensation

As described in Item 12, Terra Nova Asset Management LLC receives products and services from brokers. Terra Nova Asset Management LLC does not receive any other economic benefit from a non-client for providing investment advisory services.

In 2014, the firm began an arrangement whereby it compensates a solicitor for client referrals. For any client whom he refers, the solicitor will receive a portion of that client's investment advisory fee. The solicitation fee will not affect the client's investment advisory fee amount. Any clients who are referred by the solicitor will receive a separate disclosure statement detailing the referral arrangement and compensation involved.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this brochure that our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Terra Nova Asset Management LLC is deemed to have custody where it has the ability to directly debit fees. Terra Nova Asset Management LLC is also deemed to have custody where an employee of the firm serves as the trustee to a firm's client or if it has the ability to pay bills on behalf of clients. In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a monthly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. ***Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.***

Clients may contact Daniel Baumgartner, Chief Compliance Officer, at 212.355.1234 or baumgartner@terranovalusa.com if they have any questions about a particular proxy solicitation.

Item 18 Financial Information

Terra Nova Asset Management LLC is financially capable of meeting all contractual commitments to clients.