

Item 1 - Cover Page

Biltmore Family Office, LLC

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May 7, 2014 Brochure

This brochure provides information about the qualifications and business practices of Biltmore Family Office, LLC. If you have any questions about the contents of this brochure, please contact us at (704) 248-5230 or info@biltmorefamilyoffice.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Biltmore Family Office, LLC is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Biltmore Family Office, LLC also is available on the SEC's website at www.AdviserInfo.sec.gov.

Item 2 - Material Changes

This Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. Various state regulations require us to either deliver or offer to deliver the Brochure at least annually, and we will comply with these regulations. The Brochure requirements include providing a Summary of Material Changes (the "Summary") reflecting any material changes to our policies, practices, or conflicts of interest made since our last required "annual update" filing. In the event of any material changes, this Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on March 31, 2014. Of course the complete Brochure is available to clients at any time upon request.

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General Information

Biltmore Family Office, LLC ("BFO") is a collaborative family office formed in 2008 and registered as an Investment Adviser in 2013.

BFO Holdings, LLC is the sole principal owner of Biltmore Family Office, LLC. CHAC, Inc., and Ironsides Asset Advisors, LLC are the owners of BFO Holdings, LLC. Please see ***Brochure Supplements***, Exhibit A, for information regarding the individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

As of April 30, 2014 BFO manages \$195,558,423 on a discretionary basis, and \$80,534,533 of assets on a non-discretionary basis. In addition, BFO advises or consults on \$383,274,665.

SERVICES PROVIDED

BFO provides comprehensive family office services to ultra-high net worth clients and their related entities. Services include investment advice, financial planning, succession planning, and the coordination of family office services with a focus on governance, education, and philanthropy.

For those families seeking investment management services only, BFO provides an Outsourced Chief Investment Officer ("OCIO") service, offering discretionary and nondiscretionary investment advice to ultra-high net worth individuals, families and their related entities, such as trusts and private foundations. OCIO services include development of individualized asset allocation models and investment policy statements ("IPS"), quarterly reporting, and a formal portfolio review meeting on at least an annual basis.

Comprehensive Family Office ("CFO") services includes everything provided under the OCIO arrangement, but adds the additional elements of overall financial planning, family office services, and other needs of ultra-high net worth families.

Clients may choose to engage BFO for consulting services ("Consulting Service"), wherein BFO is retained only to consult and report on assets, with no responsibility to manage the assets. This service is also available to non-managed portions of a total portfolio, for which BFO has management responsibility for a portion of the portfolio.

Overview of Services

Outsourced Chief Investment Officer (OCIO) Service

BFO provides multi-faceted investment advisory services to ultra-high net worth clients through its OCIO service. The OCIO service involves the allocation of client assets among different asset classes with varying levels of risk and return. Client portfolios are managed in accordance with each client's investment objectives, taking into consideration risk tolerance, time horizon, tax issues, liquidity and cash flow needs, restrictions/constraints, and other relevant guidelines. BFO may recommend changes to this allocation, in an attempt to take advantage of current economic conditions or opportunities, while being sensitive to transaction costs and taxes, as appropriate. These tactical changes may be short-term underweights or overweights to various asset classes relative to the client's Investment Policy Statement and are designed to capitalize on current economic conditions over a shorter time period.

BFO's specialization is not in one given instrument or asset class, but rather in the ongoing process of: 1) assessing our clients' objectives; 2) developing an appropriate asset allocation to help the client best achieve those priorities and modifying that allocation when risks/opportunities are present in the markets; and 3) evaluating investment managers and assessing where it is most appropriate to use active or passive strategies.

As part of its asset-allocation methodology, BFO may select one or more sub-advisers to manage a portion of its client portfolios. Such sub-advisers may be affiliated with BFO. Under certain circumstances, BFO retains the authority to terminate a sub-adviser's relationship or to add new sub-advisers without specific client consent. In other cases, the client will ultimately select one or more sub-advisers recommended by BFO. Such sub-advisers will generally have discretion to determine the type and amount of securities to be purchased or sold for the client for that portion of the client's assets managed by the sub-advisers. A rigorous due diligence and evaluation process is used to evaluate sub-advisers and funds, employing both quantitative and qualitative techniques to identify the sub-advisers BFO feels are best qualified to meet clients' objectives.

Sub-advisers may also serve as advisers or sub-advisers to private funds and may recommend that BFO clients invest in such funds. To the extent clients are invested directly or indirectly in unaffiliated funds of selected sub-advisers, the managers of such funds will have their own investment practices, and those independent investment practices will be described in each manager's disclosure documents and/or such funds' offering documents.

Whether BFO selects or recommends one or more sub-advisers, with respect to assets managed by such sub-adviser, BFO's role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the sub-adviser(s), and to assist the client in understanding the investments of the portfolio.

To this end, BFO's client portfolios are diversified across a variety of asset classes, which may include, without limitation, equity securities, fixed income securities, limited partnerships, managed accounts, mutual funds, exchange traded funds, hedge funds, commodity futures, options, private equity, venture capital investments and other alternative investments consistent with a client's suitability, overall investment strategy, time horizon, liquidity and risk tolerance.

BFO will manage the client's investment portfolio on a discretionary or a non-discretionary basis. As a discretionary investment adviser, BFO will have the authority to supervise and direct the portfolio without prior consultation with the client. Clients who choose a non-discretionary arrangement must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on BFO in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is

treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of BFO.

Comprehensive Family Office (CFO) Services

BFO's CFO services include the above OCIO service plus assistance to clients in formulating an overall investment strategy and financial plan. This may include an analysis of a client's financial goals and possibly advice regarding financial planning, retirement planning, educational funding, insurance planning and benefits planning, preparation of financial analyses, and personal financial statements reflecting net worth, liquidity, cash flow, and income tax projections. This service also includes family governance and education work, along with planning and organizing family meetings.

BFO will also assist client families with financial management. This includes expense management, ensuring timely payment of invoices, transfer of funds, wire management, oversight of expenditures and cash flow, financial forecasting, and budgeting in order to enhance family decision making around finances. Fees may vary based on scope of services to be provided as well as the complexity of the family structure. Fees may be invoiced based on hourly rates, fixed fee arrangements, or may be calculated according to the value of assets under advisement.

In addition, they may also include to varying degrees administration and bookkeeping, operating business consulting services, and personal services for high net worth individuals and families. BFO acts as a family office for clients who do not desire to operate and staff their own family office.

Family Office Consulting Service (Consulting Service)

BFO typically provides investment reporting to clients for assets managed under either the OCIO service or under the CFO services. As an additional service, BFO may provide investment reporting only for client investments and assets that are not managed by BFO. These *non-managed* assets may be held and reported alongside *BFO-managed* assets for consolidated reporting purposes and may or may not be included in performance benchmarks. For accounts that hold non-managed assets, BFO may charge a reporting-only fee, and does not participate in the selection of sub-advisers or in decisions regarding the selection, purchase, or sale of these specific securities. Consequently, BFO assumes no liability for the appropriateness for the client of any securities so reported or any diminution of value of assets for which the Consulting Service is provided. Non-managed assets will be segregated from managed accounts for fee calculation purposes, but may be combined for reporting purposes. These assets are not subject to our discretionary or nondiscretionary investment management agreements.

Item 5 - Fees and Compensation

General Fee Information

Fees paid to BFO are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Please see ***Item 12 - Brokerage Practices*** for additional information. Fees paid to BFO are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds), sub-advisers, or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds,

brokers, BFO and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

Fees charged by sub-advisers, including advisers or sub-advisers to private funds in which BFO clients may invest may vary and will depend on several factors, including but not limited to, the size of investment, trading strategy, and degree of risk. Sub-adviser management fees generally range from 0.10% to 5.00% of assets per annum. In addition, some sub-advisers may charge performance fees of up to 50% of the profits. Since performance fees are generally based upon increase in the net assets of the portfolio, such performance fees may be based upon unrealized appreciation as well as realized gains. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. BFO does not receive remuneration from any sub-adviser or third party money manager for the recommendation of any such manager or fund to BFO's clients or inclusion in client portfolios. All fees charged by sub-advisers and private funds are separately disclosed to and agreed upon by the client.

Comprehensive Family Office Services

The annual fee schedule, based on a percentage of assets under management, is as follows:

<u>Assets Under Management</u>	<u>Annual Rate</u>
First \$25,000,000	1.00%
Next \$25,000,000	0.50%
Next \$50,000,000	0.30%

* Nominal flat fee pricing on all amounts over \$100,000,000 based on complexity

The minimum annual fee for family office services is \$50,000. BFO may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where BFO deems it appropriate under the circumstances.

Outsourced Chief Investment Officer (OCIO) Services

The annual fee schedule, based on a percentage of assets under management, is as follows:

<u>Assets Under Management</u>	<u>Annual Rate</u>
First \$25,000,000	0.85%
Next \$25,000,000	0.50%
Next \$50,000,000	0.30%

*Nominal flat fee pricing on all amounts over \$100,000,000 based on complexity

The minimum annual fee for OCIO services is \$50,000. BFO may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where BFO deems it appropriate under the circumstances.

Portfolio management fees are payable quarterly, in arrears. A client's quarterly (i.e., three month) billing cycle begins the calendar month following the date of the Investment Advisory contract. If the contract is dated on a date other than month end, the first quarterly billing cycle will include an additional pro-rated amount for the period from the date of the contract to the beginning month of the client's quarterly billing cycle. With client authorization and unless other arrangements are made, fees are normally debited directly from client account(s).

Either BFO or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to BFO from the client will be invoiced or deducted from the client's account prior to termination.

Separate Account Manager Fees

When one or more managers are utilized, the manager(s)' fees will be separate from and in addition to BFO's fee.

Family Office Consulting Service

Pricing is based on the complexity of the client's reporting needs, location and types of assets, and the number of legal entities involved. Each engagement is separately negotiated.

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

BFO does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because BFO has no performance-based fee accounts, it has no side-by-side management.

Item 7 - Types of Clients

BFO serves high-net-worth individuals, pension and profit-sharing plans, corporations, trusts, estates, foundations and charitable organizations. With some exceptions, the minimum portfolio value eligible for conventional investment advisory services is \$10,000,000, and the annual minimum fee charged is \$50,000. Under certain circumstances and in its sole discretion, BFO may negotiate such minimums.

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

Methods of Analysis

Under all engagements except Consulting Services, in order to develop the Investment Policy Statement, BFO begins with Asset Allocation planning and the particular risk and objectives of the client's portfolio. Once the Investment Policy Statement has been developed to attempt to meet these objectives, BFO will invest the portfolio in numerous investments including, but not limited to: common stocks, ETFs, mutual funds, individual bonds, and through third party sub-advisers and alternative investments including limited partnerships and hedge funds.

In making selections of individual stocks for client portfolios, BFO may use any of the following types of analysis:

Fundamental Analysis – involves review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Ratio of price-to-earnings to growth rate

Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

Charting Analysis – involves gathering and processing price and volume information for a particular security. BFO's charting analysis includes, without limitation:

- mathematical analysis;
- graphing charts; and estimations of future price movements based on perceived patterns and trends.

Cyclical Analysis – involves evaluating recurring price patterns and trends in a type of technical analysis.

Sub-advisers are selected using BFO's evaluation methods. Quantitatively, each Sub-adviser's return history is analyzed by looking at a combination of annualized returns over various periods, an evaluation of rolling correlations and volatility measures. To evaluate downside risk, rolling Sortino ratios and semi-variance characteristics are considered, as well as the Sub-adviser's return skew.

Qualitatively, BFO will interview each management team, seeking to understand organizational dynamics, determine who the key decision makers are, evaluate firm compensation and, most importantly, determine if their team has developed a replicable process. BFO believes that process and discipline lead toward more reliable investment results.

Sub-advisers are sourced via a variety of access points including database searches, manager references, industry research and our contact group. Although BFO does not accept compensation from Sub-advisers, there is also no way to definitively determine if fees charged by any Sub-advisers are impacted by the cumulative amount of investments from BFO's different clients and, if so, whether the benefit accrues to any specific BFO client or to BFO itself. BFO, wherever possible, will attempt to negotiate Sub-advisers fees for the benefit of BFO's clients in all instances where applicable utilizing our size and scale. Any Sub-adviser discounts achieved reduce the fees our clients pay the Sub-adviser with no direct benefit to BFO.

To the extent they are utilized, mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. BFO may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, issuer, rating, yield and duration.

Investment Strategies

BFO's strategic approach is to invest each portfolio in accordance with the Investment Policy Statement that has been developed specifically for each client. Common stocks are used extensively, while ETFs are utilized to invest passively in segments of the market to meet portfolio or asset allocation weights. On a targeted basis, BFO will utilize ETFs to hedge the portfolio. As mentioned above, individual bonds may be used as a strategic investment to fulfill specific liquidity needs in a portfolio. Other types of instruments will be used as appropriate.

Selectively (<10%), BFO may enter into arbitrage trades where BFO purchases acquisition companies and attempts to earn an accreted purchase target. BFO primarily does this for cash acquisitions, but intermittently as risk/reward is evaluated, BFO may enter a long (the target) and short (the acquirer) position in a stock-for-stock acquisition.

The following specific strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances:

Long-Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short-Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Short Sales – securities transactions in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. While BFO typically does not engage in this, certain transactions, such as short sales and writing of options, by their nature, are margin transactions.

Trading – generally considered holding a security for less than thirty (30) days.

Options Trading/Writing – a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

Risk of Loss

While BFO seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Policy Statements in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

Management Risks. While BFO manages client investment portfolios, or recommends one or more managers based on BFO's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that BFO or a manager allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that BFO's specific investment choices could underperform their relevant indexes.

Risks of Investments in Mutual Funds, ETFs and Other Investment Pools. As described above, BFO or a manager may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Other Funds. BFO may invest in other, unaffiliated funds (including, but not limited to, U.S. or offshore unit investment trusts, open-end and closed-end mutual funds and hedge funds, private equity funds, venture capital funds, advisory accounts, real estate investment trusts, ETFs, or other private alternative or other investment funds, regardless of whether any of the foregoing investment vehicles are affiliated with us) (collectively, "Other Funds"). These Other Funds will charge their own management and other fees, so that if we invest in them, the client will bear an additional level of fees and expenses. BFO does not receive fees from these funds. Also, U.S. mutual funds generally must distribute all gains to investors, including investors who may not have an economic gain from investing in the fund, which can lead to negative tax effects on investors, particularly non-U.S. persons. BFO may also invest in exchange traded funds, unit investment trusts, or other similar vehicles designed to track the performance of a specific index or sector. These Other Funds may have unique risks of loss as described in their offering documents.

Equity Market Risks. BFO and any manager(s) will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

Fixed Income Risks. BFO and any manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Foreign Securities Risks. BFO and any manager(s) may invest portions of client assets in foreign securities (*debt, equity, currencies, derivatives, etc.*). While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency. Finally, other risks include, among other things, trade balances and imbalances and their related economic policies, imposition of exchange control regulation, withholding taxes, limitations on the removal of funds or other assets,

possible nationalization of assets or industries, political difficulties, and political instability in foreign nations.

Short Sale Risks. Short sales are speculative transactions and involve special risks. In order to initiate a short position, a security must be borrowed. Strategies that execute short sales may incur a loss if the price of the security sold short increases in value between the date of the short sale and the date when BFO purchases the security to replace the borrowed security. Losses are potentially unlimited in a short sale transaction.

Options and Futures (Derivatives Risk): Even a small investment in options may give rise to leverage risk, and can have a significant impact on the account's performance. Derivatives are subject to credit risk and liquidity risk.

Margin Risks. Margin transactions, in which an investor deposits a certain amount in a margin account and securities are purchased in part with borrowed funds, are subject to legal limitations and may carry other risks, including the following:

- There is a possibility that the investor can lose more funds than were deposited in the margin account. A decline in the value of securities that are purchased on margin may require that the investor provide additional funds to the firm that has provided the loan to avoid the forced sale of those securities or other securities in the investor's account.
- There is a risk that BFO can be forced to sell securities in the client's account. If the equity in the margin account falls below the maintenance margin requirements under the law—or the firm's higher "house" requirements—BFO can sell the securities in the client's account to cover the margin deficiency. In this event, the client will also be responsible for any short fall in the account after such a sale.
- A client is not entitled to an extension of time on a margin call. While an extension of time to meet initial margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension. In addition, a customer does not have a right to an extension of time to meet a maintenance margin call.

Increased Regulations Risks. Events during the past several years and adverse financial results have focused attention upon the necessity to maintain adequate risk controls and compliance procedures. These events have led to increased governmental and self-regulatory authority scrutiny of the financial industry. Various national governments have also expressed concern regarding disruptive effects of speculative trading and the need to regulate the markets in general. Any regulations that restrict the ability to employ, or broker-dealers and counterparties to extend, credit or restrict trading activities could adversely impact profit potential.

Market Liquidity Risks. The value of securities held in client accounts and that are traded on exchanges and the risks associated with holding these positions vary in response to events that affect asset markets in general. Market disruptions such as those that occurred in 1987, September 2001, and more recently the Flash Crash in May 2010 could lead to violent price swings in securities held within client portfolios and could result in substantial losses.

Potential Concentration Risks. Client portfolios may have highly concentrated positions in issuers engaged in one or a few industries, sectors, markets or countries. This increases the risk of loss relative to the market as a whole.

Item 9 - Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of BFO or the integrity of BFO's management. BFO has no disciplinary events to report.

Item 10 - Other Financial Industry Activities and Affiliations

BFO is affiliated with Ironsides Asset Advisors, LLC ("Ironsides") (CRD# 161683), a Registered Investment Adviser. Ironsides is a principal owner of BFO and shares common investment personnel with BFO, as Mark Roberts, Chief Investment Officer of BFO, also serves as a Chief Investment Officer of Ironsides. Mr. Roberts' primary role at BFO is to develop asset allocation models and custom investment portfolios for application within client portfolios. Mr. Roberts may also work directly with certain clients who have specific investment needs.

As CIO of BFO, Mr. Roberts promulgates as well as receives confidential information regarding BFO's trading and research. Mr. Roberts also manages discretionary accounts at Ironsides. These overlapping responsibilities may present a potential conflict of interest between the two firms and with Mr. Roberts personally. BFO has taken steps to mitigate this potential conflict by adopting a Code of Ethics, which includes certain controls regarding personal trading. In addition, the accounts of those involved in the investment process at either firm are generally managed alongside of client accounts, and therefore generally participate in block trades with clients. This practice mitigates the risk of a more favorable execution for any participant in the block. If associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the shares will be allocated among client and associated accounts in accordance with BFO's written policy.

BFO is also affiliated with Gorelick Brothers Capital, LLC ("Gorelick Brothers") (CRD# 160517), a Registered Investment Adviser. Gorelick Brothers is a minority owner of BFO. Gorelick Brothers provides investment management services solely to private funds (the "Funds"), each a fund-of-hedge-funds. When appropriate in light of client circumstances, BFO may recommend that clients invest in the Funds. Because Gorelick Brothers is an affiliate of BFO and will receive performance-based compensation from any BFO client's investment in the Funds, BFO has a conflict of interest when recommending the Funds to its clients. To mitigate this conflict of interest, BFO will only recommend the Funds to its clients on a fully disclosed basis. Either through a waiver or reduction of BFO's and/or the Fund(s)' investment management fee, the client pay will the same fees collectively to BFO and the Fund(s) as they would if they had purchased the Fund(s) directly.

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

Code of Ethics and Personal Trading

BFO has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. BFO's Code has several goals. First, the Code is designed to assist BFO in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, BFO owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with BFO (managers, officers and employees) to act with

honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for BFO's associated persons. Under the Code's Professional Standards, BFO expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, BFO associated persons are not to take inappropriate advantage of their positions in relation to BFO clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, BFO's associated persons may invest in the same securities recommended to clients. Under its Code, BFO has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

In addition to the above, by virtue of being a CFA, Mark Roberts is obligated to follow the guidelines established by the CFA Institute.

Participation or Interest in Client Transactions

As outlined above, BFO has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, BFO's goal is to place client interests first.

Consistent with the foregoing, BFO maintains policies regarding participation in initial public offerings (IPOs) and private placements to comply with applicable laws and avoid conflicts with client transactions. If an associated person of Ironsides wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Item 12 - Brokerage Practices

Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, BFO seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, BFO may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of BFO's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

BFO may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients' assets. BFO may also effect trades for client accounts at Schwab, or may in some instances, consistent with BFO's duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although BFO may recommend that clients establish accounts at

Schwab, it is ultimately the client's decision to custody assets with Schwab. BFO is independently owned and operated and is not affiliated with Schwab.

Schwab Advisor Services provides BFO with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help BFO manage or administer our clients' accounts while others help BFO manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements, but are part of the institutional platform offered by Schwab. 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 BFO 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 Advisor Services also makes available to BFO other products and services that benefit BFO but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of BFO accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist BFO in managing and administering 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 pricing and other market data; (iv) facilitate payment of BFO's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help BFO manage and further develop its business enterprise. These services may include: (i) technology, 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 BFO. Schwab Advisor Services 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 BFO. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of BFO personnel. In evaluating whether to recommend that clients custody their assets at Schwab, BFO 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 it considers 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.

Directed Brokerage

Clients may direct BFO to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that BFO has with Schwab is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing BFO to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with BFO that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

Aggregated Trade Policy

BFO may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. 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-rata basis between all accounts included in any such block. Block trading allows BFO to execute equity trades in a timelier, equitable manner, and may reduce overall costs to clients.

BFO will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of BFO's Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all BFO's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction. On occasion, owing to the size of a particular account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore transaction charges may vary slightly among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

BFO will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of BFO. BFO's books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and

neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and BFO will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

Item 13 - Review of Accounts

Managed portfolios are reviewed at least annually, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by BFO. These factors may include, but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. Christopher Cecil, Chief Executive Officer, or Mark Roberts, Chief Investment Officer, review all accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. BFO may produce quarterly written statements that provide pertinent information with regard to investment account(s), including but not limited to account values, net contributions and withdrawals, realized/unrealized gain/loss, etc. This statement is not intended to replace the statement provided by the account custodian(s), which should be considered the official record for all pertinent account information. BFO's reports are provided in a different format from that of the account custodian(s) and may vary in content and scope. Therefore, you should compare the asset information to the statement provided by the custodian(s). Additional reports are available at the request of the client.

Item 14 - Client Referrals and Other Compensation

As noted above, BFO may receive an economic benefit from Schwab in the form of support products and services it makes available to BFO and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of Schwab's products and services to BFO is based solely on our participation in the programs and not in the provision of any particular investment advice.

From time to time, BFO may enter into arrangements with third parties ("Solicitors") to identify and refer potential clients to BFO. Consistent with legal requirements under the Investment Advisers Act of 1940, as amended, BFO enters into written agreements with Solicitors under which, among other things, Solicitors are required to disclose their compensation arrangements to prospective clients before such clients enter into an agreement with BFO.

Item 15 - Custody

Schwab is the principal custodian of most client accounts at BFO. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify BFO of any questions or concerns. Clients are also asked to promptly notify BFO if the custodian fails to provide statements on each account held.

From time to time and in accordance with BFO's agreement with clients, BFO will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

Item 16 - Investment Discretion

As described in ***Item 4 - Advisory Business***, BFO will accept clients on either a discretionary or non-discretionary basis. For *discretionary accounts*, a Limited Power of Attorney ("LPOA") is executed by the client, giving BFO the authority to carry out various activities in the account, generally including the following: trade execution; hiring and firing of third party sub-advisers; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. BFO then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with BFO and the requirements of the client's custodian.

For *non-discretionary accounts*, the client also generally executes an LPOA, which allows BFO to carry out trade recommendations and approved actions in the portfolio. However, in accordance with the investment advisory agreement between BFO and the client, BFO does not implement trading recommendations or other actions in the account unless and until the client has approved the recommendation or action. As with discretionary accounts, clients may limit the terms of the LPOA, subject to BFO's agreement with the client and the requirements of the client's custodian.

Item 17 - Voting Client Securities

As a policy and in accordance with BFO's client agreement, BFO does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact BFO with questions relating to proxy procedures and proposals; however, BFO generally does not research particular proxy proposals.

Item 18 - Financial Information

BFO does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.