
CONNECTIVE PORTFOLIO MANAGEMENT, LLC

Part 2A of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Connective Portfolio Management, LLC (“Connective”). If you have any questions about the contents of this brochure, please contact us at 212-984-7700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Connective is federally registered with the SEC as an investment adviser. Registration with the SEC or any state securities authority does not imply any level of skill or training.

Additional information about Connective also is available on the SEC’s website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Connective is 170843.

Item 2. Statement of Material Changes

Connective is required to include in this Item 2 any material changes to the Form ADV Part 2A since the last update. This is Connective's initial filing and there is nothing to disclose.

There are no other material changes to report.

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Item 4. Advisory Business

Connective is a newly registered investment adviser founded in March 2014, with its office located in New York City. The firm is organized as a Delaware limited liability company. Mr. Richard LD Saxton is the principal owner.

Connective provides personalized, discretionary investment management services to high net worth individuals, trusts, estates, foundations, endowments, corporations, pension and profit-sharing plans, charitable organizations, institutional investors and 1940 Act Funds.

Connective's investment strategy involves creation of investments portfolio's primarily on a long term basis in equity and debt securities of both U.S. and global issuers. Connective invests in a broad range of securities, including: equity securities both long and short, debt securities (corporate, municipal and sovereign), commercial paper, certificates of deposit, U.S. government securities, options contracts on securities, investments in non-publicly traded securities, private investments in public companies, and interests in pooled investment vehicles, including open and closed end funds.

Prior to accepting a new Client, Connective makes reasonable efforts to obtain information concerning a prospective investor's financial and tax status, investment objectives, experience, sophistication, risk tolerance and other relevant information to make certain that securities are suitable. A Client may impose certain restrictions regarding investing in certain securities or types of securities, or may require that a certain minimum or maximum level of cash be maintained for its account.

Connective requires each Client to place at least \$1,000,000 with the firm. This minimum may be waived or adjusted in the discretion of Connective. The advisory process typically commences with an introductory meeting. At this meeting, Connective will collect pertinent information about the Client, including but not limited to, investment objectives, risk tolerance, time horizon, financial and personal facts and circumstances. Follow-up meetings or communications may be required for the purpose of completing the collection of personal and financial data ("Suitability information"). Assuming that you and we are prepared to work together, an investment management agreement and other required forms, disclosures or Limited Power of Attorney will also be completed, and objectives, financial/personal information will be recorded by the firm. Connective's privacy policies and procedures will ensure that each Client's confidential personal and financial information remains secure. In certain cases Connective will also meet or communicate with the Client's tax, legal, or other consultants on issues affecting the Client's portfolio. Connective does not provide legal or tax advice to Clients. Connective will also consider each Client's custodial requirements, and will maintain the flexibility and capability to provide the requisite investment management platform that utilizes such custodian's available services. Prior to engaging in investment recommendations, Connective will consult with you concerning your existing portfolio of assets and coordinate an efficient transition to the selected custodian and an appropriate

investment strategy which takes into account the Client's existing assets and asset classes.

The last step in the engagement process is the creation and review with the Client of an "Investment Policy Statement". When requested by or on behalf of an individual Client, Connective can also create a financial plan to help you meet your goals.

After Connective recommends an investment policy statement and recommended portfolio to you, and you agree to implement the recommended investment policy and portfolio, Connective will monitor the selected investments, portfolio performance and general market conditions, on a periodic basis. We will reallocate the portfolio as needed based upon the IPS, changes in the market and general economic conditions, as well as reported changes in the Client's financial and personal circumstances. Clients are requested to inform us immediately of significant changes in their personal or financial condition that were not previously disclosed, but are the result of changed circumstances.

Connective may provide investment management services that are different from the services or recommendations of another Client.

Either party may terminate the advisory agreement at any time by providing written notice to the other party in conformity with the terms of the agreement. Clients will incur fees for advisory services rendered up to the date of termination, and may receive a refund on a pro rata basis, depending on the date of termination within the quarter of the year.

Connective does not participate in wrap fee programs.

Assets Under Management

As of March 30, 2014, Connective had approximately \$000 million under management.

Custodians

If the Client decides to implement Connective's investment recommendations, we will help the Client open a custodial account(s) if the Client does not already have one, or transition an existing custodial relationship with Connective. The funds in your account will generally be held in a separate account, in your name, at an independent Custodian, not with us. The identity of your Custodian will be communicated to us before the Connective account is opened. Each Client will enter into a separate custodial agreement with the Custodian. The Custodian's agreement, among other things, authorizes the Custodian to take instructions from Connective regarding all investment decisions for your account. We will select the securities bought and sold and the amount to be bought and sold, within the parameters of the IPS, objectives and risk tolerance of the Client's account. The Custodian will effect transactions, deliver securities, make payments and do what we instruct. Clients are notified of any purchases or sales through trade confirmations and monthly or quarterly statements that are provided by the Custodian.

These statements list the total value at the start of the period, itemize all transaction activity during the period and list the types, amounts, and total value of securities held as of the end of the period. Statements may be in either printed or electronic form based on the Client's preferences. Clients will at all times maintain full and complete ownership rights to all assets held in your account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

We are available during normal business hours either by telephone, fax, e-mail or in person by appointment to answer your questions.

Item 5. Fees and Compensation

A. Fee Charged

Connective is a fee only business, that is compensated based on a percentage of Client assets under management ("management fee"), which is set forth in the following fee schedules. Connective has two separate fee ranges. For non-1940 Act Fund business, Connective receives a management fee ranging from 0.85% to 1.75% per annum, depending on the market value of a Client's asset under management. For 1940 Act Fund business, the fees are negotiated with each Funds' board, ranging from .75% to 1.50% per annum, depending on the market value of the Fund's assets under management.

Fees are payable quarterly, in advance. Each fee range is a guide and, fees are negotiable and may be higher or lower than the stated range based on the nature of the account. Factors affecting fees include: account size, complexity of assets, investment strategy, time horizon, existing assets placed in the managed account and other factors.

B. Fee Schedule

Generally, assessed fees may vary from 1.50% to .75%, per annum of the market value of a 1940 Act Fund Client's assets managed by Connective as follows:

<u>Assets Under Management</u>	<u>Annual Advisory Fee</u>
\$1,000,000 - \$5,000,000	1.50%
\$5,000,001 - \$10,000,000	1.25%
\$10,000,001 - \$20,000,000	1.00%
\$20,000,000, plus	0.75%

No increase in the annual fee will be effective without prior written notification to the Client.

Generally, assessed fees may vary from 1.75% to 0.85%, per annum of the market value of individual, trust, foundation, corporate or institutional Client's assets managed (non-1940 Act Fund) by Connective as follows:

<u>Assets Under Management</u>	<u>Annual Advisory Fee</u>
\$1,000,000 - \$2,500,000	1.75%
\$2,500,001 - \$5,000,000	1.50%
\$5,000,001 - \$10,000,000	1.25%
\$10,000,001 - \$20,000,000	1.00%
\$20,000,000, plus	0.85%

Fee Payment

Generally advisory fees to Connective will be debited directly from the Client's account pursuant to instruction issued to your Custodian. Advisory fees are paid quarterly, in arrears. The value used for fee calculation is the Client's account value as of the last market day of the previous quarter. For example, if your annual fee is 1.25%, then each quarter Connective will multiply the value of your account by 1.25%, and then divide by 4 to calculate the fee. After the calculation is made by Connective, we instruct the Client's Custodian to deduct the fee from your account and remit it to Connective. Fee transfers from the Custodian to Connective are reflected on your Custodian account statements. Clients will receive a fee bill from Connective itemizing the fees to be debited, including the formula used to calculate the fee. Clients provide written authorization to debit advisory fees from their accounts held by a qualified custodian selected by the Client, with or without recommendation from Connective.

For non-Fund Clients, Connective may combine the account values of family members and related accounts to determine the applicable fee. Combining account values increases the total assets used for billing purposes, which may result in the Client's paying a reduced advisory fee based on breakpoints in the fee schedule.

C. Other Fees

1. Associated Mutual Fund Fees

Certain strategies offered by us involve investment in mutual funds. Load and no load mutual funds may pay annual distribution charges, sometimes referred to as "12(b) (1) fees". These 12(b) (1) fees come from fund assets, and thus indirectly from Clients' assets. We do not receive any compensation from these fees. The 12(b) (1) fee, deferred sales charges and other fee arrangements will be disclosed upon your request and are typically described in the applicable fund's prospectus.

Client's account at the Custodian may also be charged for certain additional assets managed for you by us but not held by the Custodian (i.e., variable annuities, mutual funds, 401(k)s). Disclosure of such fees is made to the Client.

There are a number of other fees that can be associated with holding and investing in securities. Clients will be responsible for fees including transaction fees for the purchase or sale of a mutual fund, or commissions for the purchase or sale of a stock or Closed End Fund. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. Connective can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

2. Pro-rata Fees

If you become a Client of Connective at any time during a quarter, you will pay the management fee for the number of days left in that quarter. If you or Connective decide to terminate our relationship during a quarter, you will be entitled to a refund of any management fees for the remainder of the quarter. Once notice of termination is received by Connective, we will refund the unearned fees to the Client in whatever way the Client directs (check, wire back to your account).

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

Connective does not charge or accept performance-based fees or participate in side-by-side management.

Item 7. Type of Clients

Connective provides investment advisory services to high net worth individuals, corporations, endowments, foundations, pension and profit sharing plans, trusts, estates and/or charitable organizations, 1940 Act Funds, other business entities.

Before accepting a new Client, Connective requires that the prospective investor substantiate a substantial net worth, level of sophistication, prior investment experience, and develops with each prospective new Client, an individualized Investment Policy Statement, describing among other things, investments, the risks involved, the fees and compensation, the rights of termination and background information about Connective and the agreements required. Clients must have a minimum opening balance of at least \$1,000,000 (which may be a lesser amount in the sole discretion of Connective).

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

Connective uses a fundamental method of analysis, utilizing various inputs and criteria, including: internal research, research materials prepared by others, contact with management of issuers whose securities are of interest to it (through meetings, correspondence, attendance at seminars or analyst meetings), contact with other non-affiliated investment advisers and broker-dealers, relationships with investment and economic professionals and consultants, reading and analyzing financial publications, corporate ratings, annual, periodic and other government or public filings of or relating to issuers and press releases. Once implemented, a Client's investment strategy is periodically monitored and reevaluated to identify the need for refinement or modification.

Our investment strategies and advice may vary depending upon each Client's specific financial situation. As such, we determine what investments and allocation to recommend to Clients based upon defined objectives, risk tolerance, time horizon, financial information, liquidity needs, tax situation, and other suitability factors. A Client's specific restrictions and investment guidelines may affect the composition of its portfolio.

As a result of revised IRS regulations, custodians and broker-dealers began reporting the cost basis of equities acquired in Client accounts on or after January 1, 2011. Client's custodian will default to the FIFO ("First In First Out") accounting method for calculating the cost basis of your investments. Clients are responsible for contacting its tax advisor to determine if this accounting method is the right choice. If your tax advisor believes another accounting method is more advantageous, please provide written notice to Connective immediately, and we will alert your account Custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Connective invests primarily in public equity and debt securities of both U.S. and global issuers, and utilizes primarily long term strategies. To a lesser extent, Connective may utilize short term strategies, may engage in margin transactions, may purchase and sell options contracts and options on index futures, currencies, mutual funds, and invest in alternative investments, such as private placements, private or publicly traded REITs, hedge funds, and Master Limited Partnerships ("MLP") for diversification and income purposes. The nature of investments made by Connective involves significant risk factors and a managed advisory account is suitable only for Clients who can bear the economic risk of loss of their investment, and who have limited need for liquidity with respect to their investment. The specific risks with respect to investments are described in greater detail in the offering documents, limited partnership and subscription agreements relevant to each Fund, REIT or MLP. Past performance may not be indicative of future performance. There can be no assurances that a Client's portfolio and investment strategy will achieve their investment objectives.

In the course of delivering portfolio management services to Clients, we may use one or more of the following methods of analysis or strategies when designing recommended portfolios:

- Historical Performance Analysis – involves the gathering and analyzing of historical performance results for a particular security, strategy or category of securities, typically referred to as an asset class. This information is analyzed using mathematical equations to identify the historical risk and return performance and the potential attractiveness of a potential investment. We use this information to help us identify investments to be considered for inclusion in recommended portfolios. The risk of relying upon historical performance analysis is that the future performance of an investment may be very different from its historical performance.
- Diversification and Correlation Analysis – involves the analysis of the historical performance relationship between two or more securities, strategies, or asset classes. This analysis is based on mathematical equations and is used in an attempt to identify combinations of potential investments that offer improved risk/reward profiles compared to individual investments. The risk of employing this type of analysis is that the future relationships between different investments may be very different than the historical relationships and that relationship can change very quickly. Portfolios may not benefit from anticipated diversification benefits, especially during short-term periods of turmoil in the capital markets.
- Valuation Analysis – involves monitoring the absolute and relative valuations of a potential investment. We may monitor the current valuation of an investment relative to its historical average valuation as well as relative to the valuations of other investments or categories of intermediate-term tactical opportunities to overweight or underweight certain investments that we believe may be temporarily undervalued or overvalued. The risks of using this approach are that markets may change and historical valuation levels or relationships may be less relevant. Additionally, although they may ultimately be relevant and our valuation analysis may be correct, it may take an extensive period of time for these valuation discrepancies to be corrected in the capital markets.
- Expected Return Forecasting – involves the development of return, risk and correlation forecasts for categories of investments. We typically obtain these forecasts from a variety of trusted third party research providers so as not to rely upon a single forecast. Amongst other factors, forecasts will typically consider the current level and anticipated direction of interest rates, as well as corporate earnings for broad stock market averages. We emphasize an intermediate to long-term time horizon when employing this analysis. We use this analysis to make tactical

intermediate-term adjustments to our asset allocation models. The risk of using this approach is that we may recommend portfolio adjustments based on return expectations that are not realized.

- **Technical Analysis** – involves studying price patterns in the financial markets to identify market situations that suggest a trend in the price, either up or down, of a particular investment is likely to continue. The risk of making investment decisions based on technical analysis is that this analysis may not accurately predict future price movements. Additionally, periods of short-term volatility can cause technical analysis to generate frequent buy/sell signals, increasing portfolio turnover and potentially hurting returns.
- **Cyclical Analysis** – a type of analysis that involves evaluating recurring price patterns and trends in various economic/business cycles. We use this analysis to help us identify opportunities to over or underweight investments that are expected to perform differently at different points in an economic/business cycle. The risk of this approach is that these cycles may not be predictable in duration or turning points and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore investment decisions based on cyclical analysis may not be profitable.
- **Long Term Investing** – involves making investments with the expectation that those investments will provide a satisfactory return over a relatively long period of time, generally greater than five to seven years. The risks of relying solely on a long-term investing approach are that short-term volatility may be excessive, you may miss short or intermediate-term opportunities, and that long-term returns may not meet your expectations.
- **Intermediate-Term Investing** – involves making investments with the expectation that those investments will provide a satisfactory result over a two to five year period. Our recommendations for tactical portfolio changes are generally made with an intermediate-term time horizon. The risk of intermediate-term investing is that you may be incorrect in your analysis, and that an intermediate-term focus may subject a portfolio to increased turnover, potentially hurting returns.
- **Short Term Investing** – involves the purchase of an investment with the expectation that it will be sold within a relatively short period of time, generally less than one to two years, to take advantage of the securities' short-term price fluctuations. We may engage in short term investing from time to time under identified market circumstances. The risk of short-term investing is that markets may move quickly in a direction opposite of your short-term approach, and that you may subject a portfolio to increased turnover and expenses, which may reduce returns. Short-term

trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given a Client's stated investment objectives, tolerance for risk and our assessment of current market conditions.

- **Margin Transactions** – are securities transactions in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a “margin call”. An investor's overall risk includes the amount of money invested plus the amount that was loaned to them. We generally do not recommend margin transactions. However, we may explain to Clients that it may be available to them from their qualified custodian if they wish to utilize it.

The following specific risks, among others, should be noted in light of an investor's sophistication, objectives, risk tolerance and financial condition:

- **Lack of Diversification** – Depending on size of account, Client portfolios generally are long investments in approximately 20 to 50 issuers. The exact number of issuers will vary. As such, Client portfolios may not be widely diversified among industries, geographic areas, types of securities or range of issuers. Accordingly, Client portfolios may be subject to more rapid change in value than would be the case if the investments were more diversified. In addition, Connective generally will not invest more than 10% of the assets of any Client in the securities of any one issuer.
- **Investments in Small-Mid Cap and Large Cap Companies** – Connective invests primarily in the equity securities of Small-Mid Cap companies with a market capitalization or an enterprise value of between \$500 million and \$10 billion, and also invests in securities of Large Cap companies with a market capitalization or an enterprise value of more than \$10 billion. In addition to being subject to the general market risk that common stock prices may decline over short or even extended periods, Connective may invest in securities of companies that are not well-known to the investing public and may not have significant institutional ownership. Small-Mid Cap companies may present greater opportunities for capital appreciation but also may involve greater risk than larger, mature issuers. The securities of such companies may be more volatile in price, subject to more abrupt or erratic market movements and have lower trading volumes than larger capitalization stocks.
- **Lack of Liquidity** – Connective may invest after having consulted with the Client up to a Client-mandated percentage of the assets in non-public and restricted securities. The markets, if any, for non-public and restricted

securities may be “thin” or illiquid, making purchase or sale of these securities at desired prices or desired quantities difficult or impossible. Connective may be contractually prohibited from disposing of such securities for a specified period of time. Further, the sale of such securities may be possible only at substantial discounts. Moreover, such investments may be extremely difficult to value.

- Lack of Commercial Acceptance – Certain securities, such as technology new issues, could be adversely affected by lack of commercial acceptance of a new product or products or by technological changes and obsolescence of existing products or services. Some issuers may have limited operating histories. As a result, these companies may face undeveloped or limited markets, have limited products, have no proven profit-making history, may operate at a loss or with substantial variations in operating results from period to period, have limited access to capital and/or be in the developmental stages of their businesses.
- Default Risk – Pertains to the ability of a company or issuer to service its debt. Ratings provided by rating agencies/services help identify issuers with more risk, but neither Connective nor any adviser can predict whether or when a company may default. Material event disclosures made by an issuer may not predict whether or when default may occur.
- Proprietary Technology Rights – There can be no assurance that issuers of certain securities involving proprietary technology will be able to protect their proprietary rights to patent, copyright, trademark and trade secret protection, which may be essential to its growth and profitability. The markets in which many issuers of such securities operate are extremely competitive and there can be no assurance that such companies in which Connective invests will successfully penetrate their markets or establish or maintain competitive advantages for any period of time.
- Short Sales of Securities – Connective may sell securities short when it believes they will decline in price, if this strategy has been specifically approved by the Client through its IPS and when the Client’s risk tolerance and financial condition permit. There can be no assurances that these securities will decrease in value. If the price increases, Connective may be forced to cover the short portion at a higher price than the short sale price, resulting in a loss. A short sale involves a theoretical unlimited increase in the market price of a security. In a short sale, the potential for loss is unlimited and unknown, whereas the potential for loss in a long trade is limited and knowable.
- Information Risk: All investment professionals rely on research in order to make conclusions about investment options. This research is

always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.

- **Risks Specific to the Use of Model Portfolios:** Each Client's assets will be invested according to their specific investment objectives, but the use of models to achieve the Client's goals brings a specific risk that a model portfolio may not meet the Client's objectives the same way a completely individualized portfolio might. While this can happen any time, it is most likely to occur when a Client provides investment restrictions for their account which causes their account to not participate in every investment decision made for the model portfolios. Clients are encouraged to place restrictions on the investment of their assets if they wish, but should understand that the more restrictions are placed on the account, the more difficult it is for Connective, or any adviser, to meet their objectives. This is especially true when model portfolios are used, because the models are constructed using each security as an integral building block to the portfolio as a whole.

The foregoing does not purport to be a complete explanation of the risks involved in investing in securities.

Item 9. Disciplinary Information

Neither Connective nor its principal have any legal or disciplinary events to report.

Item 10. Other Financial Industry Activities and Affiliations

A. Neither Connective nor its management person are registered, or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer,

B. Neither Connective nor its management persons are registered, or have an application pending to register as a future commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.

C. Neither Connective nor its management person has any relationship or arrangement material to its advisory business or its Clients involving:

1. Broker-dealer, municipal securities dealer, or government securities dealer or broker;
2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund”, and offshore fund)
3. Other investment adviser or financial planner
4. Futures commission merchant, commodity pool operator, or commodity trading advisor;
5. Banking or thrift institution;
6. Accountant or accounting firm.
7. Lawyer or law firm
8. Insurance company or agency
9. Pension consultant
10. Real estate broker or dealer
11. Sponsor or syndicator of limited partnerships.

D. Connective may recommend Clients to other investment advisers where the Client’s interests and investment strategy does not match Connective’s and the Client or Connective determine that another adviser would be more appropriate for the Client. In such case, Connective may receive a “referral fee” from such adviser. Connective and the other adviser to whom the Client has been referred, will disclose the referral fee to be paid by such other adviser to Connective, if any. Connective does not believe that such referral fee, if paid, presents a material conflict of interest.

E. Potential Conflicts of Interest – Connective may have conflicts of interest in allocating their time and activity among Clients, including 1940 Act Funds, in which Connective may have a greater financial interest. Clients of Connective may have similar investment objectives and may implement similar investment strategies. Connective treats all Clients fairly and equitably, but not necessarily identically, and may take action for one Client that differs from another. For example, when purchasing shares of Mid Cap companies, Connective may allocate the shares to the Clients that purchase primarily securities of Mid Cap companies and not to the balance of the accounts, or, it may first allocate such shares to the Clients that purchase primarily securities of Mid Cap companies, before allocating the remaining shares, if any, to the balance of its Clients.

As set forth in Item 8, even in those instances where investments in Mid Cap companies are appropriate for all Clients, it may not be possible for all Clients to participate in a particular transaction. To achieve optimal results that are in the best interests of its Clients, Connective weighs a variety of factors, including, the nature of the investment opportunity, investment or regulatory limitations (including tax consequences), availability and the risk in connection with each transaction. Further, Connective's trading for Fund Clients, based on the size and scope of such Client's investments, may affect Connective's allocation of trades involving non-Fund Client accounts.

F. A conflict of interest also may arise when a Fund directs Connective to liquidate and close the Fund, and Connective, at the same time, places purchase orders for the same securities for its other Client accounts. A conflict of interest may also arise in connection with the treatment of investments (profit and loss taking) for taxable Client accounts that may differ from the treatment for non-taxable Client accounts. To maximize overall after-tax returns, Connective may sell securities for certain Clients and at the same time place orders to purchase the same securities for other Clients (causing returns of taxable and non-taxable Client accounts to vary). Connective addresses these conflicts by executing all transactions through a broker unrelated to them with instructions to obtain best execution for each transaction pursuant to separate orders. Connective is not a broker-dealer.

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

A. General Information

Connective, pursuant to SEC Rule 204A-1, adopted written policies and procedures reasonably designed to prevent violations of the Advisers Act that include a Code of Ethics with which all officers, directors and employees (collectively, "Associated Persons") are required to comply. The Code of Ethics covers, among other things, its standards of business conduct, the fiduciary relationship of Connective with Clients, guidelines for personal securities transactions, reporting obligations regarding personal securities transactions, the avoidance of actual or potential conflicts of interest, gifts policy, prohibitions against disclosure of non-public information relating to Clients or Client transactions, rules governing prohibitions on trading utilizing non-public information and penalties for violations of provisions of the Code of Ethics.

B. Participation of Interest in Client Transactions

Neither Connective nor its management person has any material financial interest in Client transactions beyond the provision of investment advisory services as discussed in this brochure.

C. Personal Trading Practices

Connective does not engage in principal transactions with Client accounts. Connective does not maintain its own proprietary trading account. The firm's management may buy or sell the same securities that the firm recommends to Clients or securities in which Clients are already invested. Although a conflict of interest does exist, the firm's policies and procedures assume that the Client's interests receive priority in trading matters.

A copy of the firm's Code of Ethics is available upon Client request by contacting Mr. Richard Saxton by phone or e-mail.

Connective does not engage in principal transactions with Client accounts.

Item 12. Brokerage Practices

A. Factors in Selection

Connective recognizes its general fiduciary obligation to obtain "best execution" for its Clients. Best execution includes a duty to execute securities transactions through selected broker-dealers so that a Client's total cost, or proceeds in each sale transaction, are the most favorable under market conditions. For liquid, listed equity securities, the best price generally is considered to be (but is not always) the national average best bid/offer. For illiquid securities, the best price generally must be determined by soliciting prices from multiple broker-dealers. For corporate and municipal bonds, Connective considers quoted bid/ask, mark-up/mark-down spreads, as well as capabilities to fill a particular transaction or a wide selection of transaction sizes in a timely manner. The best price is not necessarily the lowest price and may include a variety of qualitative factors, including size of transaction. Connective seeks competitive rates among executing firms, including transactions fees and related costs. Clients should understand that our best execution responsibility is qualified where we purchase mutual funds that trade at net asset value ("NAV"), determined at the daily market close. Alternative investments, such as MLP's and REIT's have different pricing structures, the expertise of the product sponsor in such products is a primary consideration in order execution, as is the availability of a secondary market and/or resale restrictions.

Connective selects brokers or dealers to be used for trade execution of Client transactions, and makes that selection from an approved broker list. In making that selection Connective considers a combination of subjective and objective factors pertaining to the full range and quality of a broker-dealer's services, including: timeliness of execution; securing the best price for a transaction; the confidentiality provided by the broker-dealer; the broker-dealer's clearance and settlement capabilities; the promptness of execution of securities transactions; and the financial stability and reputation of the broker-dealer. Other brokerage services considered by Connective include: software and order management tools to transmit orders, electronic and other forms of

communication regarding trade allocation instructions, routing of settlement instructions, post-trade watching services, and error correction, cancel/rebill process. Connective evaluates the effectiveness of brokerage services on a continuous basis, including the review of best execution comparative statistics. From time to time Connective may engage in “step-out” transactions for its Clients whereby it directs a broker (the “Primary Broker”) to execute a single purchase or sale order and then to “give up” to one or more other brokers (the “Secondary Brokers”) a portion of the resulting executions thereby causing commissions earned on the execution of the order to be shared with the Secondary Brokers. The Secondary Brokers are, for the most part, smaller brokers that provide research to Connective and whose execution capabilities may not be as proficient, or as cost effective, as those of the Primary Broker for a particular or series of transactions. A step-out transaction enables Connective to place a single order with a Primary Broker as an alternative to placing multiple orders with multiple brokers that would execute such orders independently. Although both alternatives permit Connective to direct commission compensation to brokers, step-out transactions allow Connective to communicate with a single broker and to achieve a single execution price for all participating Clients. While Connective does not believe that it pays higher commissions on step-out transactions than on other transactions, Connective shall not be required or deemed to have the duty to obtain the lowest brokerage commission rates available on such transactions. Connective believes that the brokerage commissions charged on such transactions are reasonable in relation to execution of a large block transaction for its Clients.

Connective does not routinely recommend, request or require that a Client direct it to execute transactions through a specified broker-dealer. However, Connective may permit Clients to “direct” it to effect some or all of the transactions on behalf of such Client’s account through a particular broker. Connective may reject a Client’s direction in its discretion. The Client’s direction must be in writing. If a Client directs it to use a particular broker or dealer, Connective may not obtain the most favorable price and execution that it otherwise may be able to obtain if it were free to determine the broker or dealer best able to execute the particular transaction and/or to aggregate such order with the orders for its other Clients. As a result, the Client directing execution with a particular broker may pay a higher commission. Connective will not execute a transaction through a broker selected by a Client if it reasonably believes that effecting the transaction through the directed broker may result in a breach of Connective’s duties as a fiduciary.

B. Research and Soft Dollar Benefits

In addition, access to security analysts at various brokerage firms that provide Connective with assistance in its investment decision-making process, and the quality of broker-dealer sponsored conferences and sponsored analyst meetings may be additional factors in selecting a broker-dealer, as these are benefits that Connective might have to pay for elsewhere. As a result, Connective may not necessarily select the broker-dealer that offers the lowest commission rate. Because it is not the practice of Connective to negotiate “execution only” commission rates, it may be deemed to be paying for research,

brokerage or other services provided by the broker that are included in the commission rate.

Connective recognizes that conflicts of interests could arise, because the research and other brokerage services it obtains is a benefit to it that it does not have to pay for elsewhere. Therefore, the selection and the amount of brokerage it gives to a particular broker-dealer is not pursuant to any agreement with or commitment to any broker-dealer that would bind Connective. The reasonableness of brokerage arrangements is evaluated on an ongoing basis. Any research and brokerage services that Connective obtains with soft dollars are limited to research and brokerage services that are within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended. Research products/services assist Connective in its investment decision-making process. Included in such services are: support services, such as independent pricing and ratings, information, software that provides access to Client investment management-related publications, access to investment related conferences, seminars, webinars and meetings and other educational events, marketing support, computer software affiliations.

Connective uses soft dollar benefits to service all of its Clients' accounts, but does not allocate soft dollar benefits to Client accounts proportionately to the soft dollar credits the account generates. Client referrals are not a consideration in selecting broker-dealers for trade execution.

C. Directed Brokerage

Connective has not accepted directed brokerage arrangements. Connective does not recommend, request or require that a Client direct the firm to any execution broker. Connective does not have an affiliate that is a broker-dealer.

D. Aggregated Orders

Connective may, but is not required, to combine multiple orders for the purchase/sale of the same securities. This practice is referred to as "block trading". Upon execution of the block order, an "average" price is reported for all Client trades. A portion of the shares are equitably distributed to Client accounts, typically in proportion to the size of the account. Account performance or the amount of management fees are not considered in making the allocation.

Typically, research received by Connective from a broker-dealer is used to service all of our Clients. In addition, Connective might purchase research from a variety of sources, using hard dollars, which is used to service all Clients. The research services acquired for Fund Clients, whether through hard or soft dollars, may differ from similar services acquired for non-Fund Clients.

The typical research Connective obtains includes research reports, market research, financial newsletters, trade journals, software providing analysis of securities portfolios, corporate governance research and rating services, attendance at seminars and

conferences, discussions with research analysts, meeting with corporate executives, advice from brokers on order execution and certain proxy services.

Item 13. Review of Accounts

Client accounts are reviewed on a monthly and quarterly basis by the Managing Member of Connective, who consults with the Portfolio Manager, as needed. Fund Clients may request and Connective will provide account reviews on a frequency established by the Fund directors and/or Board. The review ascertains that the positions in Client accounts are appropriate for and consistent with the investment strategy and objectives of the account and that Client directed guidelines are observed. The Chief Investment Officer, speaks with Clients, and representatives of institutional or Fund Clients, at least annually. Additionally, changes in market conditions and a Client's personal and/or financial circumstances will trigger a review of such account(s). All Clients will receive statements of account activity on a quarterly basis from Connective.

Item 14. Client Referrals and Other Compensation

Connective does not receive an economic benefit for providing advice to its Clients from anyone other than its Clients. Refer to Item 12 discussion of recommendations of broker-dealers and soft dollars.

Connective currently does not directly or indirectly compensate any third parties who are not advisory personnel, for Client referrals. However, in the future Connective may enter into such an arrangement, but only in accordance with the Cash Payments for Client Solicitations rule (Rule 206(4)-3 of the Advisers Act).

Item 15. Custody

Connective does not have custody of any Client assets. However, once Connective commences operating, it may be deemed to have custody of certain Client assets because it has arrangements with unaffiliated qualified custodians, under which it is authorized to deduct investment management fees from those Client accounts.

Item 16. Investment Discretion

All Client accounts are managed by Connective on a discretionary basis. Connective has sole discretion to determine the particular securities, the amount of such securities, and the timing of when such securities are to be bought or sold without consultation with Clients. Clients are required to execute the firm's discretionary account agreement and appropriate authorization forms required by the Client's custodian.

Client accounts may acquire particular securities from sources unrelated to transactions effected by Connective. Such Client accounts may request that such securities be added to their account managed by Connective. Connective may, in its discretion, accept such securities to be added to a Client's account, at which time Connective would exercise discretion over such securities as part of the Client's account. Connective may, in its exercise of discretion, reject the addition of a Client's security to be added to their account. In addition, a Client may seek to impose certain restrictions regarding investing in certain securities or types of securities in its account, or may require that a certain minimum or maximum level of cash be maintained for its account. Connective requires that all Client restrictions, limitations, or conditions be in writing and incorporated as an exhibit to the firm's discretionary account agreements. Connective reserves the right to reject or refuse to exercise discretion over Client selected securities, including refusal to follow Client imposed restrictions on the account.

Item 17. Voting Client Securities

Connective will vote proxies on behalf of Client's advisory accounts. No less frequently than annually, Connective advises Clients that a copy of its Proxy Voting Policies and Procedures is available upon their written request.

Item 18. Financial Information

Connective does not have any condition that impairs its ability to meet contractual commitments to Clients, and has not ever been the subject of any bankruptcy proceedings. Connective does not take physical custody of Client funds or securities, or serve as trustee or signatory for Client accounts. Connective does not require the prepayment of fees more than 6 months or more in advance and therefore, is not required to include a financial statement with this brochure.