



Gerstein Fisher

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Item 1: Cover Page

This Brochure provides information about the qualifications and business practices of Gerstein Fisher. If you have any questions about the contents of this Brochure, please contact us at 212-968-0707 ext. 128 or bdelman@GersteinFisher.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Gerstein Fisher is also available on the SEC's website at www.adviserinfo.sec.gov. References herein to Gerstein Fisher as a "registered investment adviser" or any reference to being "registered" does not imply any level of skill or training.

Item 2: Material Changes

There have been no material changes to Gerstein Fisher's disclosure statement since its last Annual Amendment filing on March 14, 2014.

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Item 4: Advisory Business

- A. Gerstein Fisher is a corporation formed on April 30, 1996, in the State of New York (previous to which it was a sole proprietorship). Gerstein Fisher became registered as an Investment Adviser Firm in 1993. Gerstein Fisher is owned by its Principal, Gregg S. Fisher.
- B. As discussed below, Gerstein Fisher offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.), directly or via one or more affiliates, investment advisory services, and, to the extent specifically requested by a client, tax preparation and financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage Gerstein Fisher to provide discretionary investment advisory services on a *fee* basis. Gerstein Fisher's fee for those services is based upon a percentage of the market value of the assets placed under management. Please refer to Item 5 below for more information about these fees.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, Gerstein Fisher *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a negotiable, stand-alone separate fee basis. Please refer to Item 5 below for more information about these fees.

REPORTING SERVICES AND AGGREGATE DATA STORAGE

Gerstein Fisher offers investment data storage and comprehensive reporting services which may be provided separately or as part of Gerstein Fisher's other services. The client's assets subject to this service may be separate from those for which Gerstein Fisher provides investment management, review, monitoring and/or for which Gerstein Fisher provides investment recommendations or advice. The *Investment Advisory Agreement* and/or *Financial Planning and Consulting Agreement* between Gerstein Fisher and the client shall describe the services offered and delineate those assets which will receive no services other than investment data storage and comprehensive reporting services (referred to as "Excluded Assets"). Gerstein Fisher's fee for this service will range from 0.10% to 1.00% of the assets that will be reported on under this service. These fees may be negotiated by Gerstein Fisher under unusual circumstances, at the sole discretion of Gerstein Fisher.

SERVICE AS A SEPARATE ACCOUNT MANAGER

Investors, though other independent investment advisers, can engage Gerstein Fisher as a separate account manager through the use of an investment advisory platform provided by third-party vendors. Gerstein Fisher will provide the discretionary selection of mutual funds (including affiliated mutual funds) and ETFs. Gerstein Fisher's annual fee for this service shall be between fifteen and thirty basis points billed quarterly in arrears. Where Gerstein Fisher serves as a Separate Account Manager, it will not waive or credit any portion of its advisory fee for assets invested on a discretionary basis in an affiliated mutual fund.

- * Please Note: Conflict of Interest. Although all mutual funds charge fees (i.e., administrative and investment management fees), because of the *Affiliated Mutual Fund(s)* relationships to Gerstein Fisher, a conflict of interest is present because Gerstein Fisher stands to earn a dual fee. A dual fee means that Gerstein Fisher will earn fees from both (1) its services as a separate account manager; and (2) fees from the *Affiliated Mutual Fund(s)*. Gerstein Fisher will not offer any credit to investors engaging Gerstein Fisher as a separate account manager. Gerstein Fisher's Chief Compliance Officer remains available to address any questions that an investor or prospective investor may have regarding the above conflict of interest.
- * Please Also Note: By engaging Gerstein Fisher as a separate account manager and agreeing to this fee, you are consenting to the above conflict of interest. Gerstein Fisher may invest up to one hundred percent (100%) of separate account assets in affiliated mutual funds. Gerstein Fisher will make a good faith effort to determine if an investment in an affiliated mutual fund is in the investor's best interest after considering such factors as: (1) assets invested with Gerstein Fisher, (2) other available alternative mutual funds, (3) the feasibility of managing the separate account assets using its advisory allocation process, and (3) the combined management fees and expense ratios of other non-affiliated mutual funds. Gerstein Fisher is not obligated to record its analysis conducted under this section.
- * Please Note: In the event an investor does not wish for Gerstein Fisher to invest his, her or its assets on a discretionary basis in affiliated mutual funds, the client must direct Gerstein Fisher not to do so, in writing.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, Gerstein Fisher *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Gerstein Fisher, nor any of its representatives, serves as an attorney or accountant, and no portion of Gerstein Fisher's services should be construed as same. To the extent requested by a client, Gerstein Fisher may recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance, etc.), including representatives of Gerstein Fisher in their separate registered/licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Gerstein Fisher.

- * Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

- * Please Also Note: It remains the client's responsibility to promptly notify Gerstein Fisher if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Gerstein Fisher's previous recommendations and/or services.

Private Investment Funds. Gerstein Fisher provides investment advice regarding unaffiliated private investment funds and matters not involving securities.

- * Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.
- * Please Also Note: Valuation. In the event that Gerstein Fisher references private investment funds owned by the client on any supplemental account reports prepared by Gerstein Fisher, the value(s) for all private investment funds owned by the client shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price.
- * Please Note: Inverse/Enhanced Market Strategies. Gerstein Fisher may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Gerstein Fisher, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Affiliated Mutual Funds

- * Gerstein Fisher Multi-Factor Growth Equity Fund
Gerstein Fisher provides investment management services through its affiliated mutual fund, Gerstein Fisher Multi-Factor Growth Equity Fund (the "*Equity Fund*"), an investment company registered under the Investment Company Act of 1940. Under normal market conditions, at least 80% of the Equity Fund's net assets will be invested in equity securities. Gerstein Fisher also makes its equity fund prospectus available to its clients, which contains a complete description of the Equity Fund, its strategy, objectives, and costs. Please refer to Item 10.C below for more information about the Equity Fund.
- * Gerstein Fisher Multi-Factor International Growth Equity Fund
Gerstein Fisher provides investment management services through its affiliated mutual fund, Gerstein Fisher Multi-Factor International Growth Equity Fund (the "*International Fund*"), an investment company registered under the Investment Company Act of 1940. Under normal market conditions, at least 80% of the *International Fund's* net assets will be invested in equity securities. The *International Fund* seeks to invest primarily in common stocks of international companies of any size, including foreign securities and securities of US companies. Please refer to Item 10.C below for more information about the *International Fund*.
- * Gerstein Fisher Multi-Factor Global Real Estate Securities Fund
Gerstein Fisher provides investment management services through its affiliated mutual fund, Gerstein Fisher Multi-Factor Global Real Estate Securities Fund (GFMRX) (the "*REIT Fund*"), an investment company registered under the Investment Company Act of 1940. Under normal market conditions, at least 80% of the *REIT Fund's* net assets will be invested in Real Estate Investment Trusts. Gerstein Fisher also makes its *REIT Fund* prospectus available to its clients, which contains a complete description of the *REIT Fund*, its strategy, objectives, and costs. Please refer to Item 10.C below for more information about the *REIT Fund*.
- * Please Note: Conflict of Interest. Although all mutual funds charge fees (i.e., administrative and investment management fees), because of the *Equity Fund*, *International Fund*, and *REIT Fund's* (each, an "*Affiliated Mutual Fund*" and collectively, the "*Affiliated Mutual Funds*") respective relationships to Gerstein Fisher, a conflict of interest is presented because: (1) a portion the fees will be payable to Gerstein Fisher for its investment management services; and (2) the combined investment management fee to be received by Gerstein Fisher from the *Affiliated Mutual Fund(s)* and as part of assets under management will generally be higher than it currently receives from clients under the fee schedule as set forth below. Accordingly, except as indicated with respect to sub-advisory arrangements and arrangements where Gerstein Fisher serves as a separate account manager, Gerstein Fisher issues a credit to clients against its advisory fees to compensate for fees collected at the mutual fund level. Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective may have regarding the above conflict of interest.

12b-1 Fees. Although not a material consideration when determining to purchase a specific mutual fund, Gerstein Fisher's representatives, pursuant to their association with GFA Securities, LLC (see disclosure below), may also receive ongoing 12b-1 trailing commission compensation from the mutual fund company or companies during the period that the client maintains the mutual fund investment. The 12b-1 compensation is in addition to Gerstein Fisher's investment advisory fee. Gerstein Fisher's Chief Compliance Officer remains available to

address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

Gerstein Fisher Tax Services LLC. Gerstein Fisher has an arrangement with its affiliated entity, Gerstein Fisher Tax Services LLC ("*GFTS*"), for the purpose of *GFTS* providing tax-related services to Gerstein Fisher's clients. *GFTS* may provide Gerstein Fisher's clients with tax-related consulting and tax return preparation services. *GFTS* will provide services under a separate engagement. In return for such services, *GFTS* will charge a fee that will be based upon the complexity of the service performed, which fee will range from \$150 to \$5,000.

* **Please Note: Conflict of Interest.** The recommendation by Gerstein Fisher or any of its representatives that a client engage *GFTS* for tax-related consulting and tax return preparation services presents a conflict of interest, as Gerstein Fisher would have an incentive to recommend those services based upon funds received rather than a particular client's need. Clients are under no obligation to engage *GFTS* for tax-related consulting and/or tax preparation services and are reminded that they may acquire similar services through other non-affiliated entities.

Independent Managers. Gerstein Fisher may allocate a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager(s)* shall have day-to-day responsibility for the active discretionary management of the allocated assets. Gerstein Fisher shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation, and client investment objectives. Factors which Gerstein Fisher shall consider in recommending *Independent Manager(s)* include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Sub-advisory Arrangements. Gerstein Fisher may engage one or more sub-advisors to assist with management of its client accounts. The sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by Gerstein Fisher. The sub-advisor(s) shall continue in such capacity until such arrangement is terminated or modified by Gerstein Fisher. Gerstein Fisher shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its services. To the extent that assets managed on a sub-advisory basis are allocated to one or more of the *Affiliated Mutual Funds*, Gerstein Fisher will not issue a credit to the client against its advisory fees to compensate for fees collected at the mutual fund level.

Please Note: Fee Differentials. As indicated above, for certain clients of Gerstein Fisher, Gerstein Fisher shall price its services based upon various objective and subjective factors. As a result, Gerstein Fisher's clients could pay diverse fees based upon the market value of their assets, the complexity of the engagement, and the level and scope of the overall financial planning and/or consulting services to be rendered. The services to be provided by Gerstein Fisher to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

Client Obligations. In performing its services, Gerstein Fisher shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Gerstein Fisher if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Gerstein Fisher's previous recommendations and/or services.

Disclosure Statement. A copy of Gerstein Fisher's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

- C. Gerstein Fisher shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Gerstein Fisher shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Gerstein Fisher's services.
- D. Gerstein Fisher does not participate in a wrap fee program.
- E. As of February 21, 2014, Gerstein Fisher had a total of \$1,698,135,768 in assets under management, comprised of \$1,653,755,458 on a discretionary basis and \$44,380,310 on a non-discretionary basis.

Item 5: Fees and Compensation

A. INVESTMENT ADVISORY SERVICES

If a client determines to engage Gerstein Fisher to provide discretionary investment advisory services on a *fee-only* basis, Gerstein Fisher's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under Gerstein Fisher's management (between 0.25% and 1.00%) as follows:

Assets Under Management	Equity and Balanced Account Strategies: Annual Fee %	Fixed Income Account Strategies: Annual Fee %
Initial \$1,000,000	1.00%	0.65%
Next \$2,000,000	0.75%	0.55%
Next \$2,000,000	0.65%	0.45%
Next \$5,000,000	0.50%	0.35%
Additional amounts over \$10,000,000	0.35%	0.25%

* Please Note: Assets allocated to Gerstein Fisher's directly managed asset management strategies shall be subject to an additional fee (0.30% for fixed income and 0.50% for individual equities).

* Please Also Note: Certain clients of Gerstein Fisher may be subject to a different fee schedule than as set forth above. Certain clients may be subject to an advisory fee that is either higher or lower than fees disclosed above. In those instances, Gerstein Fisher's annual investment advisory fee shall vary and shall be based upon the level and scope of the overall investment advisory services to be rendered, which is based upon various objective and subjective factors, including, but not limited to, the amount of the assets placed under Gerstein Fisher's management, the level and scope of financial planning and consulting services to be rendered, and the complexity of the engagement. (See Fee Differentials above.)

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, Gerstein Fisher *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Gerstein Fisher's planning and consulting fees are negotiable, but generally range from \$750 to \$10,000 on a fixed fee basis, and from \$200 to \$500 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Gerstein Fisher's advisory fees shall be deducted from the client's custodial account. Gerstein Fisher's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Gerstein Fisher's investment advisory fee and to directly remit that management fee to Gerstein Fisher in compliance with regulatory procedures. Gerstein Fisher shall deduct fees and/or bill clients quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter (*except for client assets allocated amongst certain independent investment manager(s) and/or program(s) that bill for payment in advance*).
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Gerstein Fisher shall generally recommend that, including, but not limited to, Charles Schwab and Co., Inc. ("*Schwab*"), SEI Private Trust Company ("*SET*"), Fidelity Investments ("*Fidelity*"), and/or Pershing, LLC ("*Pershing*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab*, *SEI*, *Fidelity*, and *Pershing* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Gerstein Fisher's investment management fee, brokerage commissions, and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

Relative to its discretionary investment management services, when beneficial to the client, individual fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian (*Schwab*, *SEI*, *Fidelity*, and *Pershing*).

- D. Gerstein Fisher's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter (*except for client assets allocated amongst certain independent investment manager(s) and/or program(s) that bill for payment in advance*). Gerstein Fisher generally requires an annual minimum fee of \$2,000, per household, for investment advisory services. Gerstein Fisher, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its annual minimum fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between Gerstein Fisher and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, a pro-rated portion of the earned but unpaid advanced advisory fee shall be due, which shall be debited from the custodial account or invoiced to the client.

- E. Securities Commission Transactions. In the event the client desires, the client can implement Gerstein Fisher's investment recommendations (limited to mutual funds, variable annuities, and 529 plans only) through Gerstein Fisher's affiliate, GFA Securities, LLC ("*GFA*"), an SEC registered and FINRA-member broker-dealer. In the event the client desires to implement on a commission basis, the client can engage the representatives of Gerstein Fisher, in their individual capacities as registered representatives of *GFA*, to implement investment recommendations on a commission basis. In the event the client chooses to implement by purchasing investment products through the representatives of Gerstein Fisher, in their individual capacities as registered representative of *GFA*, brokerage commissions will be received by *GFA*, a portion of which shall be paid by *GFA* to the applicable Gerstein Fisher representative. Prior to effecting any transactions, the client will be required to enter into a new account agreement with *GFA*. In addition, through *GFA*, the representatives of Gerstein Fisher, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation from the mutual fund company(ies) during the period that the client maintains the mutual fund investment.

1. Conflict of Interest: The recommendation that a client purchase a commission product from Gerstein Fisher's representatives presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Gerstein Fisher's representatives. Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective may have regarding the above conflict of interest.

2. Please Note: Clients may purchase investment products recommended by Gerstein Fisher through other, non-affiliated broker dealers or agents.
3. Gerstein Fisher does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products Gerstein Fisher recommends to its clients.
4. When Gerstein Fisher's representatives sell an investment product on a commission basis, Gerstein Fisher does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, Gerstein Fisher's representatives do not also receive commission compensation for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). However, a client may engage Gerstein Fisher to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Gerstein Fisher's representatives on a separate commission basis.

Item 6: Performance-Based Fees and Side-by-Side Management

Neither Gerstein Fisher, nor any supervised person of Gerstein Fisher, accepts performance-based fees.

Item 7: Types of Clients

Gerstein Fisher's clients shall generally include individuals, business entities, trusts, estates and charitable organizations. Gerstein Fisher generally requires an annual minimum fee of \$2,000 per household, for investment advisory services. Gerstein Fisher, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its annual minimum fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

A. Gerstein Fisher may utilize the following methods of security analysis:

- Statistical and Quantitative – (analysis performed on value and momentum metrics, with a goal of identifying investment opportunities with the potential to outperform market benchmarks)
- Fundamental – (analysis performed on historical and present data, with the goal of analyzing financial markets) Gerstein Fisher may utilize the following investment strategies when implementing investment advice given to clients:
- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Gerstein Fisher) will be profitable or equal any specific performance level(s).

B. Gerstein Fisher's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Gerstein Fisher must have access to current/new market information. Gerstein Fisher has no control over the dissemination rate of market information; therefore, unbeknownst to Gerstein Fisher, certain analyses may be compiled with outdated market information, severely limiting the value of Gerstein Fisher's analysis.

Gerstein Fisher's primary investment strategies – Long Term Purchases, Short Term Purchases, and Trading – are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

Gerstein Fisher may utilize statistical techniques like Monte Carlo Simulation (MCS) to perform rigorous scenario analysis on portfolios before finalizing structure. Gerstein Fisher recognizes that MCS is not a definitive method. While Gerstein Fisher recognizes its limitations,

Gerstein Fisher believe that statistical techniques like MCS can play an important role in helping prepare its clients for a wide range of possible investment outcomes.

In addition to the fundamental investment strategies discussed above, Gerstein Fisher may also implement and/or recommend – short selling and/or options transactions. Each of these strategies has a high level of inherent risk. (See discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by Gerstein Fisher shall be with the intent of offsetting/“hedging” a potential market risk in a client’s portfolio. Please Note: Although the intent of the options-related transactions that may be implemented by Gerstein Fisher is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Gerstein Fisher, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. Currently, Gerstein Fisher primarily allocates client investment assets among various types of investments that include, but are not limited to, individual fixed income and equity securities, exchange traded funds, certificates of deposit, municipal bonds, option contracts, real estate partnerships, mutual funds, independent investment managers, and Gerstein Fisher’s directly managed asset management strategies (individual equities and/or fixed income) and its affiliated mutual funds, the Gerstein Fisher Multi-Factor Growth Equity Fund, the Gerstein Fisher Multi-Factor International Growth Equity Fund, and the Gerstein Fisher Multi-Factor Global Real Estate Securities Fund, on a discretionary basis in accordance with the client’s designated investment objective(s).

As disclosed above, Gerstein Fisher may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Gerstein Fisher, in writing, not to employ any or all such strategies for his/her/their/its accounts. (See Item 4.B).

Item 9: Disciplinary Information

Gerstein Fisher has not been the subject of any disciplinary actions.

Item 10: Other Financial Industry Activities and Affiliations

- A. Registered Representatives of GFA. As disclosed above in Item 5.E, certain of Gerstein Fisher’s representatives are also registered representatives of GFA Securities, LLC, an SEC registered and FINRA-member broker-dealer.
- B. Neither Gerstein Fisher, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Broker-Dealer. As disclosed above in Item 5.E, Gerstein Fisher’s representatives, are registered representatives of GFA Securities, LLC, an SEC registered and FINRA-member broker-dealer. Clients can choose to engage Gerstein Fisher’s representatives, in their individual capacities, to effect securities brokerage transactions on a commission basis.
- Conflict of Interest: The recommendation by Gerstein Fisher’s representatives that a client purchase a securities commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase any commission products from Gerstein Fisher’s representatives. Clients are reminded that they may purchase investment products recommended by Gerstein Fisher through other, non-affiliated broker-dealers. Gerstein Fisher’s Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Gerstein Fisher Multi-Factor Growth Equity Fund

Gerstein Fisher provides investment management services through its affiliated mutual fund, Gerstein Fisher Multi-Factor Growth Equity Fund (the “*Equity Fund*”), an investment company registered under the Investment Company Act of 1940. Under normal market conditions, at least 80% of the *Equity Fund*’s net assets will be invested in equity securities. The *Equity Fund* seeks to invest primarily in common stocks of domestic companies of any size. Equity securities may also include preferred stocks, exchange-traded funds that invest in equities, individual stock options, and options on indices. At any one time, the combined value of options may be up to 5% of the *Equity Fund*’s net

assets. The *Equity Fund* may invest up to 20% of its net assets in the securities of foreign issuers that are publicly traded in the United States or on foreign exchanges. Additionally, the *Equity Fund* may also sell shares of securities short for hedging purposes. A complete description of the *Equity Fund*, its strategy, objectives, and costs is set forth in the *Equity Fund* prospectus, a copy of which is provided to all clients that engage Gerstein Fisher's services through the *Equity Fund*.

- * Please Note - Combined Fee: Although all mutual funds charge fees (i.e., administrative and investment management fees), because of the *Equity Fund's* relationship to Gerstein Fisher, a conflict of interest is presented because Gerstein Fisher stands to earn a dual fee. A dual fee means that Gerstein Fisher will earn fees from both (1) its services as a separate account manager; and (2) fees from the *Equity Fund*. The *Equity Fund's* expense ratio will be capped at 1.25%. Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective may have regarding the above conflict of interest.

Gerstein Fisher Multi-Factor Global Real Estate Securities Fund

Gerstein Fisher provides investment management services through its affiliated mutual fund, Gerstein Fisher Multi-Factor Global Real Estate Securities Fund (GFMRX) (the "*REIT Fund*"), an investment company registered under the Investment Company Act of 1940. Under normal market conditions, at least 80% of the *REIT Fund's* net assets will be invested in Real Estate Investment Trusts. A complete description of the *REIT Fund*, its strategy, objectives, and costs is set forth in the *REIT Fund* prospectus, a copy of which is provided to all clients that engage Gerstein Fisher's services through the *REIT Fund*.

- * Please Note - Combined Fee: Although all mutual funds charge fees (i.e., administrative and investment management fees), because of the *REIT Fund's* relationship to Gerstein Fisher, a conflict of interest is presented because Gerstein Fisher stands to earn a dual fee. A dual fee means that Gerstein Fisher will earn fees from both (1) its services as a separate account manager; and (2) fees from the *REIT Fund*. The *REIT Fund's* expense ratio will be capped at 1.00%. Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective may have regarding the above conflict of interest.

Gerstein Fisher Multi-Factor International Growth Equity Fund

Gerstein Fisher provides investment management services through its affiliated mutual fund, Gerstein Fisher Multi-Factor International Growth Equity Fund (the "*International Fund*"), an investment company registered under the Investment Company Act of 1940. Under normal market conditions, at least 80% of the *International Fund's* net assets will be invested in equity securities. The *International Fund* seeks to invest primarily in common stocks of international companies of any size, including foreign securities and securities of US companies. The *International Fund* may invest in foreign securities which may include securities of companies in emerging markets or less developed countries. Equity securities that the *International Fund* may invest in include common stocks, preferred stocks, exchange-traded funds ("ETFs") that invest in equities, individual stock options and options on stock indices. The *International Fund's* investments in common stocks of international companies may include depositary receipts, such as American Depositary Receipts ("ADRs") and European Depositary Receipts ("EDRs"). The *International Fund* typically invests in securities of issuers from at least three or more non-US countries, with at least 40% of the *International Fund's* net assets invested in foreign securities. Foreign securities are determined to be "foreign" on the basis of an issuer's domicile or location of headquarters (as determined by Gerstein Fisher).

- * Please Note - Combined Fee: Although all mutual funds charge fees (i.e., administrative and investment management fees), because of the *International Fund's* relationship to Gerstein Fisher, a conflict of interest is presented because Gerstein Fisher stands to earn a dual fee. A dual fee means that Gerstein Fisher will earn fees from both (1) its services as a separate account manager; and (2) fees from the *International Fund*. The *International Fund's* expense ratio will be capped at 1.35%. Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective may have regarding the above conflict of interest.
- * Please Note as to Funds/Fees: (1) Pursuant to the terms of the *Investment Advisory Agreement*, Gerstein Fisher shall have discretion to place client assets in the *Equity Fund* and/or the *International Fund* (referred to collectively as the "*Funds*"); (2) the compensation received by Gerstein Fisher from the *Funds* will generally exceed the compensation received by Gerstein Fisher for managing portfolios of unaffiliated mutual funds, however, the credit amount is intended to offset this differential. Credit Amount. The annual gross investment advisory fee for client accounts is reduced by a credit amount; the purpose of which is to reduce the investment management fee relative to the *Funds*. This credit amount is calculated and applied quarterly. The total credit amount will be applied against the gross advisory fee to determine the net advisory fee to be paid by the client.

Please Also Note: Clients not invested through a separate account manager or platform may direct Gerstein Fisher, in writing, not to utilize the *Funds* for his/her/its investment portfolio.

- * Please Note as to Separate Accounts Managed by Gerstein Fisher: By selecting Gerstein Fisher as a separate account manager, you acknowledge that you will not receive the Credit Amount. You also consent to the above conflict of interest. Gerstein Fisher may invest up to one hundred percent (100%) of separate account investor's assets in affiliated mutual funds. Gerstein Fisher will make a good faith effort to determine if an investment in an affiliated mutual fund is in the client's best interest after considering such factors as: (1) assets invested with Gerstein Fisher, (2) other available alternative mutual funds, (3) the feasibility of managing the separate account assets using its advisory allocation process, and (3) the combined management fees and expense ratios of other non-affiliated mutual funds. Gerstein Fisher is not obligated to record its analysis conducted under this section. In the event a client does not wish for Gerstein Fisher to invest his, her or its assets on a discretionary basis in affiliated mutual funds, the client must direct Gerstein Fisher not to do so, in writing.

*

Licensed Insurance Agents. Gerstein Fisher's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage Gerstein Fisher's representatives to effect insurance transactions on a commission basis.

- Conflict of Interest: The recommendation by Gerstein Fisher's representatives that a client purchase an insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Gerstein Fisher's representatives. Clients are reminded that they may purchase insurance products recommended by Gerstein Fisher through other, non-affiliated insurance agents. Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

D. Gerstein Fisher does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

A. Gerstein Fisher maintains an investment policy relative to personal securities transactions. This investment policy is part of Gerstein Fisher's overall Code of Ethics, which serves to establish a standard of business conduct for all of Gerstein Fisher's Representatives that is based upon fundamental principles of openness, integrity, honesty, and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Gerstein Fisher also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Gerstein Fisher or any person associated with Gerstein Fisher.

B. As disclosed above, Gerstein Fisher provides investment management services through its affiliated mutual funds, Gerstein Fisher Multi-Factor Growth Equity Fund, Gerstein Fisher Multi-Factor International Growth Equity Fund, and Gerstein Fisher Multi-Factor Global Real Estate Securities Fund. For more information about the *Funds*, please see Item 4.B above.

- * Please Note: Conflict of Interest. Although all mutual funds charge fees (i.e., administrative and investment management fees), because of the *Affiliated Mutual Fund(s)* relationships to Gerstein Fisher, a conflict of interest is present because Gerstein Fisher stands to earn a dual fee. A dual fee means that Gerstein Fisher will earn fees from both (1) its services as a separate account manager; and (2) fees from the *Affiliated Mutual Fund(s)*. If you have any questions about whether you and your accounts will be subject to this dual fee, Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective may have regarding the above conflict of interest.

C. Gerstein Fisher and/or representatives of Gerstein Fisher *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Gerstein Fisher and/or representatives of Gerstein Fisher are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Gerstein Fisher did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Gerstein Fisher's clients) and other potentially abusive practices.

Gerstein Fisher has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Gerstein Fisher's "Access Persons." Gerstein Fisher's securities transaction policy requires that an Access Person of Gerstein Fisher must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Gerstein Fisher selects; provided, however, that at any time that Gerstein Fisher has only one Access Person, he or she shall not be required to submit any securities report described above.

D. Gerstein Fisher and/or representatives of Gerstein Fisher *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Gerstein Fisher and/or representatives of Gerstein Fisher are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Gerstein Fisher has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Gerstein Fisher's Access Persons.

Item 12: Brokerage Practices

A. In the event that the client requests that Gerstein Fisher recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Gerstein Fisher to use a specific brokerdealer/custodian), Gerstein Fisher generally recommends that investment management accounts be maintained at, but not limited to, *Schwab, SEI, Fidelity, and/or Pershing*. Prior to engaging Gerstein Fisher to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Gerstein Fisher setting forth the terms and conditions under which Gerstein Fisher shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Gerstein Fisher considers in recommending *Schwab*, *SEI*, *Fidelity*, and/or *Pershing* (or any other broker-dealer/custodian to clients) includes historical relationship with Gerstein Fisher, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Gerstein Fisher's clients shall comply with Gerstein Fisher's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Gerstein Fisher determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Gerstein Fisher will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Gerstein Fisher's investment management fee. Gerstein Fisher's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Soft Dollar Arrangement

In return for effecting securities transactions through a designated broker-dealer/custodian, Gerstein Fisher may receive certain investment research products or services which assist Gerstein Fisher in its investment decision-making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934 (generally referred to as a "soft-dollar" arrangement). Investment research products or services received by Gerstein Fisher may include, but are not limited to, analyses pertaining to specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications, portfolio management systems, and statistical and pricing services. Although the commissions paid by Gerstein Fisher's clients shall comply with Gerstein Fisher's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Gerstein Fisher determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Gerstein Fisher will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products or services that may be obtained by Gerstein Fisher will generally be used to service all of Gerstein Fisher's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. With respect to investment research products or services obtained by Gerstein Fisher that have a mixed use of both a research and non-research (i.e., administrative, etc.) function, Gerstein Fisher shall make a reasonable allocation of the cost of the product or service according to its use—the percentage of the product or service that provides assistance to Gerstein Fisher's investment decision-making process will be paid for with soft dollars while that portion which provides administrative or other non-research assistance will be paid for by Gerstein Fisher with hard dollars. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Gerstein Fisher's investment management fee.

Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.

Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Gerstein Fisher may receive from *Schwab*, *SEI*, *Fidelity*, and/or *Pershing* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Gerstein Fisher to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Gerstein Fisher may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Gerstein Fisher in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Gerstein Fisher in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Gerstein Fisher to manage and further develop its business enterprise.

Gerstein Fisher's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab*, *SEI*, *Fidelity*, or *Pershing* (or another broker-dealer/custodian) as a result of this arrangement. There is no corresponding commitment made by Gerstein Fisher to *Schwab*, *SEI*, *Fidelity*, or *Pershing* (or another broker-dealer/custodian) or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

Gerstein Fisher may accept reimbursement for marketing costs, such as expenses related to meetings attended by Gerstein Fisher clients. The acceptance of reimbursement will not be contingent upon any commitment by Gerstein Fisher to place client assets with a product sponsor, investment manager or custodian, and will not influence Gerstein Fisher's decision to select a product or investment manager for its clients.

2. Schwab Referrals

Gerstein Fisher receives client referrals from *Schwab* through Gerstein Fisher's participation in Schwab Advisor Network™ ("the Service"), designed to help investors find an independent investment advisor. *Schwab* is a broker-dealer independent of an unaffiliated with Gerstein Fisher. *Schwab* does not supervise Gerstein Fisher and has no responsibility for Gerstein Fisher's management of clients' portfolios or Gerstein Fisher's other advice or services. Gerstein Fisher pays *Schwab* fees to receive client referrals through the Service. Gerstein Fisher's participation in the Service may raise potential conflicts of interest described below.

Gerstein Fisher pays *Schwab* a Participation Fee on all referred clients' accounts that are maintained in custody at *Schwab* and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Gerstein Fisher is a percentage of the fees owed by the client to Gerstein Fisher or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Gerstein Fisher pays *Schwab* the Participation Fee for so long as the referred client's account remains in custody at *Schwab*. The Participation Fee is billed to Gerstein Fisher quarterly and may be increased, decreased or waived by *Schwab* from time to time. The Participation Fee is paid by Gerstein Fisher and not by the client. Gerstein Fisher has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Gerstein Fisher charges clients with similar portfolios (pursuant to Gerstein Fisher's standard fee schedule as in effect from time to time) who were not referred through the Service.

Gerstein Fisher generally pays *Schwab* a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab, unless the client was solely responsible for the decision not to maintain custody at *Schwab*. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed in custody other than at *Schwab*. The Non-Schwab Custody Fee is higher than the Participation Fees Gerstein Fisher generally would pay in a single year. Thus, Gerstein Fisher will have an incentive to recommend that client accounts be held in custody at *Schwab*.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Gerstein Fisher's clients who were referred by *Schwab* and those referred clients' family members living in the same household. Thus, Gerstein Fisher will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at *Schwab* and to instruct *Schwab* to debit Gerstein Fisher's fees directly from the accounts.

For accounts of Gerstein Fisher's clients maintained in custody at *Schwab*, *Schwab* will not charge the client separately for custody but will receive compensation from Gerstein Fisher's clients in the form of commissions or other transaction-related compensation on securities trades executed through *Schwab*. *Schwab* also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades to be executed through *Schwab* rather than another broker-dealer. Gerstein Fisher nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at *Schwab* may be executed through a different broker-dealer than trades for Gerstein Fisher's other clients. Thus, trades for accounts custodied at *Schwab* may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest such arrangement may create.

3. Gerstein Fisher does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Gerstein Fisher will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Gerstein Fisher. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

* Please Note: In the event that the client directs Gerstein Fisher to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Gerstein Fisher.

Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that Gerstein Fisher provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Gerstein Fisher decides to purchase or sell the same securities for several clients at approximately the same time. Gerstein Fisher may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Gerstein Fisher's client's differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Gerstein Fisher shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13: Review of Accounts

- A. For those clients to whom Gerstein Fisher provides investment advisory services, account reviews are conducted on an ongoing basis by Gerstein Fisher's Principal and/or representatives. All investment advisory clients are advised that it remains their responsibility to advise

Gerstein Fisher of any changes in their investment objectives and/or financial situation. All clients should review their financial planning issues (to the extent applicable), investment objectives and account performance with Gerstein Fisher on an annual basis. To the extent that a client requires assistance, clients are encouraged to contact their individual investment advisory representative.

- B. Gerstein Fisher *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections, and client request.
- C. Clients are provided with transaction confirmation notices and/or regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Gerstein Fisher provides investment advisory services may also receive a periodic report from Gerstein Fisher summarizing account activity and performance.

Item 14: Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, Gerstein Fisher may receive an indirect economic benefit from *Schwab, SEI, Fidelity*, and/or *Pershing* (or another broker-dealer/custodian). Gerstein Fisher, without cost (and/or at a discount), may receive support services and/or products from *Schwab, SEI, Fidelity*, and/or *Pershing* (or another broker-dealer/custodian).

Gerstein Fisher's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab, SEI, Fidelity*, and/or *Pershing* (or another broker-dealer/custodian) as a result of this arrangement. There is no corresponding commitment made by Gerstein Fisher to *Schwab, SEI, Fidelity*, and/or *Pershing* (or another broker-dealer/custodian) or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to Gerstein Fisher by either an unaffiliated or an affiliated solicitor, Gerstein Fisher *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Gerstein Fisher's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Gerstein Fisher by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Gerstein Fisher's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Gerstein Fisher and the solicitor, including the compensation to be received by the solicitor from Gerstein Fisher.

Item 15: Custody

Gerstein Fisher shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Gerstein Fisher provides investment advisory services may also receive a periodic report from Gerstein Fisher summarizing account activity and performance.

- * Please Note: To the extent that Gerstein Fisher provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Gerstein Fisher with the account statements received from the account custodian.
- * Please Also Note: The account custodian does not verify the accuracy of Gerstein Fisher's advisory fee calculation.
- * Please Note: Custody Situations: Gerstein Fisher engages in other practices and/or services on behalf of its clients that require disclosure at the Custody section of Part 1 of Form ADV, which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940.

Item 16: Investment Discretion

The client can determine to engage Gerstein Fisher to provide investment advisory services on a discretionary basis. Prior to Gerstein Fisher assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming Gerstein Fisher as the client's attorney and agent in fact, granting Gerstein Fisher full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Gerstein Fisher on a discretionary basis may, at any time, impose restrictions, in writing, on Gerstein Fisher's discretionary authority (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Gerstein Fisher's use of margin, etc.).

Item 17: Voting Client Securities

- A. Except for the *Funds*, Gerstein Fisher does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Gerstein Fisher to discuss any questions they may have with a particular solicitation.

Item 18: Financial Information

- A. Gerstein Fisher does not solicit fees of more than \$1,200 per client, six months or more in advance.
- B. Gerstein Fisher is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Gerstein Fisher has not been the subject of a bankruptcy petition.

ANY QUESTIONS: Gerstein Fisher's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.



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