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FORM ADV PART 2A - BROCHURE

Updated as of: March 24, 2015

Riverstone Advisors, LLC submits this brochure to the Securities & Exchange Commission (SEC). The SEC does not vouch for its truth nor verify its accuracy.

This brochure provides information about the qualifications and business practices of Riverstone Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (914) 722-1700. Information about Riverstone Advisors, LLC is also available on the SEC website at www.adviserinfo.sec.gov.

Form ADV also has a Part 2B which provides curriculum vitae on Riverstone's investment professionals.

2. MATERIAL CHANGES

The Form ADV Part 2A and 2B will be made available each year to all clients by March 31st, and will be offered to prospective clients prior to engagement of our services, along with our firm's Investment Management Agreement. We will further provide clients and prospective clients with a new brochure as necessary based on material changes to or new information about our firm.

There were no material changes since the last annual update of the brochure dated on March 31st, 2014.

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4. ADVISORY BUSINESS DESCRIPTION

Riverstone Advisors, LLC is an investment advisor. We advise clients on investments and make the investments for them. Clients pay Riverstone for investment advice on a quarterly basis.

Riverstone was established in February of 2004 and has been in business for eleven years. The firm was formed to continue advising and investing for a long-standing client base advised by Leslie J. Lammers since 1993.

Leslie J. Lammers is the principal manager and owner of Riverstone Advisors, LLC. She and John A. Hanson make all investment and business decisions for the firm.

Riverstone is an investment advisor. Client's assets (stocks, bonds, cash, mutual funds, etc.) are held at a custodian, also known as a brokerage firm. Fidelity Investments is used as a custodian by most of Riverstone's clients. When Riverstone makes investment changes to clients' accounts, the trades may be executed at Fidelity or another brokerage firm.

Portfolio Management Advisory Services

Riverstone primarily buys individual stocks and bonds to create a portfolio for each client. Mutual funds and Exchange Traded Funds (ETFs) are also used in client portfolios. Portfolios are managed individually for each client. We design each portfolio according to what we think is the appropriate risk and return balance for each client. We increase or decrease the amount invested in a particular stock to increase or decrease the risk as appropriate for each client.

Clients may discuss and suggest certain types of investments that they prefer or want to avoid. Client meetings provide an opportunity for discussing this in great detail.

Wealth Management Advisory Services

Riverstone advises clients on all wealth management issues. These may include how much to give to charity, how much to give to younger family members, whether to buy or finance a car and/or the amount of assets that one needs for retirement. We advise on the percentage that can be withdrawn from a portfolio each year for living expenses. We discuss tax issues with accountants and estate issues with estate attorneys. We advise business owners on the creation of defined benefit plans and other retirement plans. We manage the investments in these plans.

Client Assets

As of March 20, 2015, assets under management at Riverstone totaled \$123,718,563.

These assets are all discretionary. This means that Riverstone makes the investment decisions and implements them without discussing each specific investment decision with the client prior to the purchase or sale. Client discussions that occur prior to investing lay the groundwork for our specific investment decisions.

5. FEES AND COMPENSATION

Clients are our Only Source of Compensation

Riverstone receives compensation only from clients.

Riverstone does not receive any payment from mutual fund firms or brokers for the investments made. This avoids any conflict of interest when providing advice or acting on behalf of clients in investment decisions. We act only in the interest of the client.

As an SEC registered investment advisor, Riverstone has a fiduciary duty to clients to act in their best interest in the financial markets. The dictionary defines fiduciary as “an obligation to act in the best interest of another party”.

This differs from a broker in that a broker often receives payment for a particular investment sold to the client. Different investments offer different amounts of compensation; brokers may choose to recommend investments for which their compensation will be higher.

Quarterly Fees

Clients of Riverstone Advisors, LLC pay for investment advice on a quarterly basis. The fee is based on the dollar amount of assets under management at each calendar quarter-end. There are infrequent exceptions to this method.

The usual annual fee schedule is 1% (.01) on the first \$3 million, .65% (.0065) on the next \$2 million of assets and .5% (.005) on the amount over \$5 million. For example, a client with \$4 million of assets would pay a fee of 0.91%, slightly less than one percent.

Keep in mind that this is an annual fee schedule. The amount that clients are billed each quarter is one-quarter of the annual fee as calculated on the assets at that quarter-end.

This fee can be considered within the context of the usual fees charged for mutual funds. Mutual fund management fees usually exceed 1%. Unlike mutual funds, an individually managed portfolio at Riverstone Advisors gives the client one-on-one attention. This provides an opportunity to control the level of capital gains taxes created. It also makes it easy to adjust portfolios to a client's particular risk tolerance. For example, we might reduce risk by trimming a particular stock or by buying a conservative stock.

The quarterly fee is charged in advance of the forthcoming quarter. During a quarter, if a client adds significant assets to an account or funds a new account, the new assets will be billed based on the number of days remaining in the quarter. If a client leaves during a quarter, a pro rata refund is given by Riverstone.

Minimum Fee per Year

There is no minimum asset value requirement for clients but there is a minimum annual fee. The minimum fee per client is \$10,000 per year.

Riverstone may apply a different minimum fee in some circumstances. If the client believes that their situation requires less investment work, we encourage them to state their reasoning.

Fee Statements

The client receives a statement from Riverstone Advisors each quarter detailing the fee calculation. This statement is sent to the client with a quarterly portfolio statement and commentary on the markets, economy and investment returns.

The client can also view their fee in the custodian statements. The fees are charged at calendar quarter ends, therefore the fees will usually appear in the custodian statements for the months of January, April, July and October.

Direct Debit of Fees

Riverstone's quarterly fees are directly debited from the client's investment account at the custodian. The custodian is the brokerage firm or bank that holds the client's securities.

Additional Costs to Clients (Not Paid to Riverstone)

- **Commissions on Stock and Bond Purchases**

In addition to Riverstone's fees for investment advice, clients also pay commissions on stock and bond purchases and sales in their accounts. If the trade is executed at Fidelity, these are paid to Fidelity and range from \$8 to \$17 per trade for stocks. Bond purchases and sales do not have a specific commission. The broker who is buying or selling the bond makes a profit known as the spread. The spread is the difference between the broker's cost and the sale price. Riverstone does not receive any of these paid commissions.

- **Expenses of Mutual Funds or Exchange Traded Funds (ETFs)**

Most of the investments chosen for clients are individual stocks or bonds or money market mutual funds with low expenses. Riverstone uses some stock and bond mutual funds. Mutual funds have built-in expenses for administration and investment advice. In the industry, this expense tends to range around 1% of the market value of the investment. The mutual funds we use are in this expense range. ETFs typically have lower expenses depending on the complexity of the investment plan. Riverstone does not receive any of these fund expenses paid by clients.

The mutual funds Riverstone uses do not have "load" charges. Loads are fees that are paid to buy or sell a particular fund.

Fees for Special Analysis

Occasionally a client asks Riverstone to address a particular issue outside our normal scope-of-work. In this case, Riverstone will offer to perform the work for a fixed fee that will be agreed ahead of time between the client and Riverstone.

Fees Refunded at Relationship Termination

If a client or Riverstone wishes to terminate the relationship, any unearned fee for that quarter will be refunded on a pro rata basis depending on the number of days remaining in the quarter. Fee refunds are credited to the client's investment account.

Fee Summary

- To summarize, Riverstone receives fees only for investment advice.

- Riverstone may charge an additional fixed fee to perform special analysis outside the scope of everyday wealth management issues. This fee will be mutually agreed upon before Riverstone conducts the analysis.
- An additional client cost of investing is trading commissions charged by Fidelity or another broker the client or Riverstone may choose.
- Mutual funds and ETFs have built-in expenses that the client does not specifically see. The percentage amount of these expenses is found on the fund company website or in documents sent to the client by the fund company. It can be provided by Riverstone.

6. PERFORMANCE BASED FEES

Riverstone does not currently use performance based fees although this can be considered if the client desires.

7. TYPES OF CLIENTS

Clients include individuals, IRAs, trusts, pension plans, defined benefit plans, profit sharing plans, corporations, 529s (college accounts) and partnerships.

8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Riverstone Advisors, LLC uses individual stocks, bonds, mutual funds, Exchange Traded Funds (ETFs) and cash to achieve client objectives.

Primary Stock Strategy

Our primary stock strategy is to identify companies where demand is increasing for their stock and products. This usually leads us to companies that are riding the front of a trend in our economy. For example, a trend might be falling oil prices decreasing demand for oil company stocks or a newer retailer with growing sales and consumer traffic. We may choose a drug company with a newly approved drug. We look for companies in areas of the economy where demand is increasing. Technology companies provide good opportunities as they may be able to dominate a market segment in technology.

Once we find companies that spark our interest, we perform detailed analysis. We evaluate the companies based on topics including: historical financial performance, projected financial performance, relative performance compared to its competitors, and technical analysis on where a stock is currently trading. We

look to see who currently is invested in the stock. We look for rational, smart investors. We review how much support there is for the stock on Wall Street. In particular, this involves looking to see which brokerage firms are recommending the stock. We check the level of debt carried by the company and compare that with its competitors. Some amount of debt can increase earnings and thereby, the investment return. A large amount of debt usually scares us away. We study the background of the management team. We like to see stable management with a track record of success.

Risk of Loss: Stocks

There is always the potential for loss when investing in stocks. We limit this risk by diversifying portfolios across approximately 25 companies.

Sometimes certain sectors in the market are doing well while others aren't. We generally overweight the sectors that have increasing demand while underweighting sectors that have shrinking demand.

In the case of a declining stock market, we will sell stocks to reduce the overall allocation to the stock market. This will limit potential losses but not eliminate them. In a falling market we will generally execute successive cuts to the stock allocation. We might sell 10% of stocks and then sell 10% of stocks again if the economic conditions warrant. We will keep trimming until the market shows signs of health.

Primary Bond Strategy

We invest in either corporate bonds or municipal bonds or government bonds. The choice depends on whether or not the client portfolio is tax exempt (retirement accounts) or taxable. If it is taxable, we choose bonds based on the client's tax bracket. Higher tax brackets lead us to tax exempt bonds. Lower tax brackets lead us to corporate bonds.

We only buy individual bonds both if there are sufficient assets to buy enough bonds to properly diversify the risk and also if they make sense in the respective client's situation. If these conditions are not met, we will invest in a short-term bond fund or a floating rate bank loan fund.

When we buy bonds, we prefer to hold them to maturity. This provides the client with the set return identified at the time of purchase.

We view bonds as either a source of income or as ballast in a portfolio. This ballast will offset some of the volatility of the stock market.

Corporate Bond Strategy

Our primary corporate bond strategy is to identify companies that we feel will be able to maintain if not improve their current debt (credit) profile. Similar to our primary stock strategy, we start by looking in industries where we believe there will be stable and increasing demand.

Individual bonds have different levels of risk; we select appropriate bonds based on our analysis of the client's risk profile.

When we buy bonds, we plan to hold them to maturity. Once purchased, the price of the bond fluctuates based on (1) changes in market interest rates (bond prices drop as interest rates rise and vice versa) and (2) changes in the financial strength of the company. At maturity, bonds will achieve their maturity value (generally \$1,000 per bond) unless the company is unable to repay the bond holder.

During the holding period, if the value of the bond rises substantially, we will consider selling it to lock in the profit. We will then re-invest the sale proceeds in other bonds with a higher return to maturity. We will sell existing bonds if the bulk of the return has already been achieved.

Municipal Bond Strategy

If the client lives in a state with a state income tax, we will look to buy bonds from that state. We may also buy bonds from other states. We prefer to buy bonds whose revenue seems assured. For example, school district bonds and turnpike bonds are attractive to us.

Choosing a bond is similar to choosing an airline flight. It is a process of comparing available bonds to one another and choosing the ones that most meet the client needs. The metrics are length of maturity, expected return, expected risk and how it fits with other holdings the client already owns.

Risk of Loss: Bonds

Bonds can lose money. We intend to hold bonds to maturity. Doing so eliminates the risk of losses due to changes in interest rates. Credit rate risk, the potential risk of the issuer failing, is present regardless.

Primary Mutual Fund/Exchange Traded Fund (ETF) Strategy

Mutual Funds and Exchange Traded Funds (ETFs) are very similar in that they own a basket of securities. When you buy a mutual fund or ETF, you are buying that basket of securities. We use mutual funds and ETFs to provide exposure to industries that are very technical such as biotechnology or pharmaceuticals. We look at the holdings of each fund and run either a stock or bond analysis as discussed above depending on the fund's holdings. We make fund selection decisions based on various factors including: top holdings in the fund, historical performance, expense ratios, and who runs the fund. For small accounts, we use equity mutual funds and ETFs to provide diversification. This is in lieu of owning individual stocks.

Risk of Loss: Mutual Funds/ETFs

Similarly to stocks, mutual funds and ETFs can lose money. We attempt to limit the risk in these funds through research as described above. When the stock market is declining, stock mutual funds and ETFs decline as well.

9. SEC DISCIPLINARY INFORMATION

Riverstone Advisors, LLC has no disciplinary issues with the SEC.

10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

This section requests we report any relationship that could present a conflict of interest. Riverstone Advisors, LLC has no relationships to report.

11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Chartered Financial Analyst Code of Ethics

Riverstone adheres to the Code of Ethics of the Chartered Financial Analyst Institute.

This Code primarily stresses putting client interests ahead of our own. This means that when a decision is needed, we always choose the option that will benefit the client, all else being equal.

- For example, if a stock that we like declines in price and we find it attractive at the new price, we will first buy the stock for clients at the discounted price before buying it for ourselves.
- A second actual example: clients ask our advice about real estate purchases. A question might be “if we buy a second home, should we use a mortgage for part of the purchase?” This question creates a potential conflict of interest in that the investment management account may be the source of the money for the purchase. Withdrawing that money will reduce our fee income. In these situations we ignore any impact on us and focus on what is best for the client. We neutralize this issue by having sufficient assets under management so that the financial impact of periodic client withdrawals does not sway our decision making process.

The Code of Ethics further requires that we act with integrity, competence, diligence, respect, and in an ethical manner.

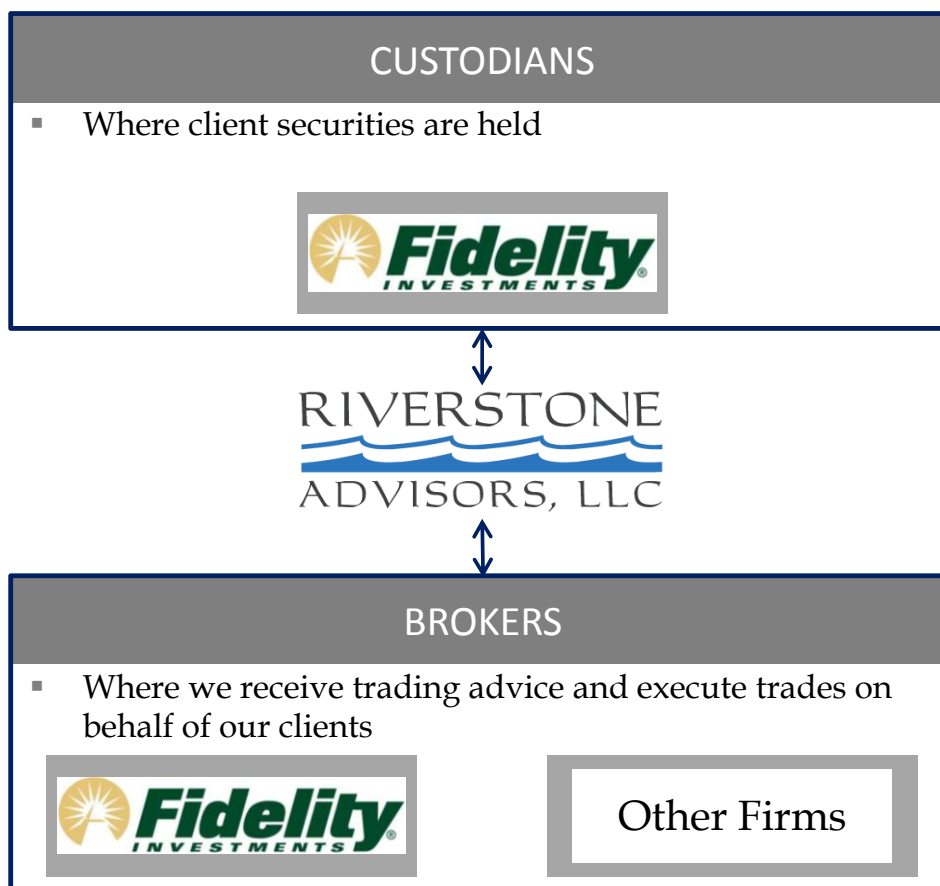
Personal Trading

In general, we personally own the same securities we buy for our clients. We avoid conflicts of interest by buying for clients ahead of our own purchases and selling for clients ahead of our own sales. We put the clients first and ourselves, last. We do not buy or sell a security in our own accounts on the same day as we buy or sell that security for clients. Money market funds are excluded from this restriction since they maintain a relatively constant value of \$1 per unit.

A copy of the Chartered Financial Analyst Code of Ethics and Standards of Professional Conduct is attached at the end of this brochure. We act according to this Code.

12. BROKERAGE PRACTICES

Riverstone Recommends the Use of Fidelity Investments as Custodian



We recommend to clients that they use Fidelity Investments as custodian of their financial assets. In the twenty-five years that we have personally worked with Fidelity, we have found them to be straightforward and dependable. Clients may choose a custodian other than Fidelity if they desire.

Riverstone does not receive any financial payment from the recommendation and use of Fidelity. Riverstone uses Fidelity software to do the following:

- Access client account data on-line
- Input and execute purchases and sales of stocks, bonds, mutual funds, etc.
- Input block trades (a way of executing one trade that is then allocated across multiple accounts. All clients receive the same price using this approach.)
- Allocate block trades to client accounts
- Update client records such as monthly standing transfer amounts
- Access stock quotes and market information
- Choose bonds from a multi-dealer bond data file
- Collect fees from client accounts

- Access mutual fund information on a broad range of Fidelity and other funds
- Review third party research

Fidelity also provides Riverstone with publications on the economy, webinars and conferences on financial topics.

Fidelity receives compensation for its services via brokerage commissions and mutual fund transaction fees and a possible profit on bonds they sell from their inventory. Please see Section 5 – Fees and Compensation.

Riverstone executes most trades with the brokerage arm of Fidelity Investments. At any given time, it is possible that there is another firm in the market offering a better price on a security than that offered via Fidelity at that second in time.

Before we execute each stock trade, we generally check the money flow in a stock. Depending on that and the dollar amount and share count of the trade, we will generally specify a price at which we want to buy or sell.

As bulleted above, for securities that we want to purchase or sell in multiple client accounts, we use block trading in order to ensure every account is given the same price. Once the overall block of shares is traded in the market, we then allocate the shares to the accounts based on the trading and risk profile of each account.

Riverstone may receive advice on stocks and bonds from firms other than Fidelity. In particular, Riverstone has received bond advice from First Southern Securities, LLC. When this firm provides advice, we may choose to execute a trade with them. In this case, they earn a commission or a spread on the trade. This provides them with compensation for their advice.

The bond market is said to be wide and shallow. This means that while there are many bonds issued by corporations and municipalities, the dollar size of each offering may not be large. This is particularly true in the municipal market. As a result, small regional brokerage firms may have more knowledge on small municipal borrowers than do large firms like Fidelity. Basically, no single firm offers knowledge on every bond issue. We look to these other firms to educate us on bonds that we might not otherwise see.

The brokerage and research products and services that these firms provide qualify as “brokerage and research services” under Section 28(e) of the Securities Exchange Act of 1934.

Clients May Use a Broker Other Than Fidelity

Clients may use a broker other than Fidelity to execute trades in their accounts.

If a client requires that a specific brokerage house be used to place trades in their accounts, then that brokerage firm will charge a commission and there will be no commission charged by Fidelity. The brokerage commissions charged in this case are not under the control of Riverstone Advisors, LLC. The client will negotiate the commission. We believe that these commissions will, in general, be higher than those charged by Fidelity.

13. REVIEW OF ACCOUNTS

Riverstone Reviews Accounts At Least Quarterly

Client accounts are reviewed by Leslie Lammers and John Hanson on a periodic basis. These reviews are at least quarterly.

Each account is reviewed as part of preparing and sending out quarterly portfolio statements. The investment performance of accounts is compared quarterly to all other accounts. In general, the investment performance is very similar across all accounts with a similar objective as we usually hold the same securities in all accounts in varying percentages.

Accounts that have unusual performance relative to other accounts are reviewed after quarter-end and changes are made, as needed.

Riverstone Also Reviews Accounts Prior to any Client Meeting whether that be in Person or on the Phone

If a client meeting is scheduled, the client account will be reviewed before the meeting.

Riverstone Reviews Accounts when there is Important News

When there is important news concerning a particular holding, it often leads us to revise our opinion on the holding. We may then either increase or decrease the size of the holding in the portfolios. We think of portfolio holdings in relation to each other. For example, one holding might be 3% of a portfolio while another might be 4% of a portfolio. The size reflects our conviction concerning a holding.

Account Statements

- **Monthly Custodian Statements**

Monthly account statements are sent to clients from their custodian (Fidelity or other custodian of client's choice.)

- **Quarterly Riverstone Statements**

Riverstone Advisors sends quarterly account statements to clients.

- These statements differ from the custodian statement in that the stocks are listed and totaled by industry rather than alphabetically by stock name.
- The quarterly statements that we send are accompanied by our written analysis of the markets and the economy.
- We include investment performance in these letters.
- A statement showing the calculation of the quarterly fee for investment advice is also included.

14. CLIENT REFERRALS AND OTHER COMPENSATION

A majority of our new business comes from clients referring their friends and families. We also receive referrals from lawyers, accountants and other business contacts. At the present, we do not pay fees to anyone for referrals.

15. CUSTODY

Clients receive monthly statements from their custodian (either Fidelity or another custodian of their choosing). Riverstone Advisors, LLC sends quarterly statements to clients.

Clients are encouraged to carefully review both of these statements. The statement from Fidelity (or other custodian) and the statement from Riverstone should be the same as to securities held and number of shares and dollar values. Clients should compare these statements.

16. INVESTMENT DISCRETION

Riverstone Advisors, LLC assumes investment discretion for the accounts that it manages.

In discussion with the client, Riverstone and the client verbally agree on an appropriate investment approach.

Riverstone implements the investment approach by making decisions on what to purchase and what to sell. The written agreement (investment contract) signed by the client gives Riverstone discretion to act. Most clients do not ask for investment restrictions although they may do so. Any respective investment restrictions are denoted in an addendum to the client investment contract.

17. VOTING CLIENT SECURITIES

Riverstone Advisors, LLC votes the corporate proxies for clients. Proxies are corporate ballots on which shareholders vote for the election of directors and vote on corporate events such as officer compensation, hiring of accountants, etc. The written agreement (investment contract) signed by the client and Riverstone gives Riverstone discretion to vote these proxies.

Riverstone Advisors votes proxies for clients in order to make clients' lives simpler. Clients may vote their own proxies if they choose. This choice can be indicated in the Riverstone investment contract.

Riverstone Advisors maintains a Policy and Procedure governing the voting of proxies. Clients should request a copy if they are interested.

Clients may direct the vote in any situation if they choose. They use email, mail or phone to do so. Clients may also request information on how we voted a particular proxy issue.

In general, our approach to proxy voting is that we invest clients in a company along-side of management and therefore we support the management. As such, we will usually vote "with management". If a company puts forward a vote on a merger with another company, we vote in the way we believe will most improve clients' investment return.

18. FINANCIAL INFORMATION

Riverstone Advisors, LLC maintains adequate funds to cover the operating expenses of the business.

Fees are collected from clients on a quarterly basis. Monies from each collection are held to cover the operating expenses over the coming quarter.

The largest operating expenses are travel, office rent, portfolio software fees and payments for independent research and economic advice.

Capital expenses are made for computers, scanners, printers, etc. as needed.

19. REQUIREMENTS FOR STATE-REGISTERED ADVISORS

This does not apply as we are nationally registered with the SEC.



CODE OF ETHICS AND STANDARDS OF PROFESSIONAL CONDUCT

PREAMBLE

The CFA Institute Code of Ethics and Standards of Professional Conduct are fundamental to the values of CFA Institute and essential to achieving its mission to lead the investment profession globally by promoting the highest standards of ethics, education, and professional excellence for the ultimate benefit of society. High ethical standards are critical to maintaining the public's trust in financial markets and in the investment profession. Since their creation in the 1960s, the Code and Standards have promoted the integrity of CFA Institute members and served as a model for measuring the ethics of investment professionals globally, regardless of job function, cultural differences, or local laws and regulations. All CFA Institute members (including holders of the Chartered Financial Analyst® [CFA®] designation) and CFA candidates must abide by the Code and Standards and are encouraged to notify their employer of this responsibility. Violations may result in disciplinary sanctions by CFA Institute. Sanctions can include revocation of membership, revocation of candidacy in the CFA Program, and revocation of the right to use the CFA designation.

THE CODE OF ETHICS

Members of CFA Institute (including CFA charterholders) and candidates for the CFA designation ("Members and Candidates") must:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession and the interests of clients above their own personal interests.
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.
- Promote the integrity and viability of the global capital markets for the ultimate benefit of society.
- Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

STANDARDS OF PROFESSIONAL CONDUCT

I. PROFESSIONALISM

- A. Knowledge of the Law.** Members and Candidates must understand and comply with all applicable laws, rules, and regulations (including the CFA Institute Code of Ethics and Standards of Professional Conduct) of any government, regulatory organization, licensing agency, or professional association governing their professional activities. In the event of conflict, Members and Candidates must comply with the more strict law, rule, or regulation. Members and Candidates must not knowingly participate or assist in and must dissociate from any violation of such laws, rules, or regulations.
- B. Independence and Objectivity.** Members and Candidates must use reasonable care and judgment to achieve and maintain independence and objectivity in their professional activities. Members and Candidates must not offer, solicit, or accept any gift, benefit, compensation, or consideration that reasonably could be expected to compromise their own or another's independence and objectivity.

- C. Misrepresentation.** Members and Candidates must not knowingly make any misrepresentations relating to investment analysis, recommendations, actions, or other professional activities.
- D. Misconduct.** Members and Candidates must not engage in any professional conduct involving dishonesty, fraud, or deceit or commit any act that reflects adversely on their professional reputation, integrity, or competence.

II. INTEGRITY OF CAPITAL MARKETS

- A. Material Nonpublic Information.** Members and Candidates who possess material nonpublic information that could affect the value of an investment must not act or cause others to act on the information.
- B. Market Manipulation.** Members and Candidates must not engage in practices that distort prices or artificially inflate trading volume with the intent to mislead market participants.

III. DUTIES TO CLIENTS

- A. Loyalty, Prudence, and Care.** Members and Candidates have a duty of loyalty to their clients and must act with reasonable care and exercise prudent judgment. Members and Candidates must act for the benefit of their clients and place their clients' interests before their employer's or their own interests.
- B. Fair Dealing.** Members and Candidates must deal fairly and objectively with all clients when providing investment analysis, making investment recommendations, taking investment action, or engaging in other professional activities.
- C. Suitability.**
- When Members and Candidates are in an advisory relationship with a client, they must:
 - Make a reasonable inquiry into a client's or prospective client's investment experience, risk and return objectives, and financial constraints prior to making any investment recommendation or taking investment action and must reassess and update this information regularly.
 - Determine that an investment is suitable to the client's financial situation and consistent with the client's written objectives, mandates, and constraints before making an investment recommendation or taking investment action.
 - Judge the suitability of investments in the context of the client's total portfolio.
 - When Members and Candidates are responsible for managing a portfolio to a specific mandate, strategy, or style, they must make only investment recommendations or take only investment actions that are consistent with the stated objectives and constraints of the portfolio.
- D. Performance Presentation.** When communicating investment performance information, Members and Candidates must make reasonable efforts to ensure that it is fair, accurate, and complete.
- E. Preservation of Confidentiality.** Members and Candidates must keep information about current, former, and prospective clients confidential unless:
- The information concerns illegal activities on the part of the client or prospective client,
 - Disclosure is required by law, or
 - The client or prospective client permits disclosure of the information.

IV. DUTIES TO EMPLOYERS

- A. Loyalty.** In matters related to their employment, Members and Candidates must act for the benefit of their employer and not deprive their employer of the advantage of their skills and abilities, divulge confidential information, or otherwise cause harm to their employer.
- B. Additional Compensation Arrangements.** Members and Candidates must not accept gifts, benefits, compensation, or consideration that competes with or might reasonably be expected to create a conflict of interest with their employer's interest unless they obtain written consent from all parties involved.
- C. Responsibilities of Supervisors.** Members and Candidates must make reasonable efforts to ensure that anyone subject to their supervision or authority complies with applicable laws, rules, regulations, and the Code and Standards.

V. INVESTMENT ANALYSIS, RECOMMENDATIONS, AND ACTIONS

- A. Diligence and Reasonable Basis.** Members and Candidates must:
- Exercise diligence, independence, and thoroughness in analyzing investments, making investment recommendations, and taking investment actions.
 - Have a reasonable and adequate basis, supported by appropriate research and investigation, for any investment analysis, recommendation, or action.
- B. Communication with Clients and Prospective Clients.** Members and Candidates must:
- Disclose to clients and prospective clients the basic format and general principles of the investment processes they use to analyze investments, select securities, and construct portfolios and must promptly disclose any changes that might materially affect those processes.
 - Disclose to clients and prospective clients significant limitations and risks associated with the investment process.
 - Use reasonable judgment in identifying which factors are important to their investment analyses, recommendations, or actions and include those factors in communications with clients and prospective clients.
 - Distinguish between fact and opinion in the presentation of investment analysis and recommendations.
- C. Record Retention.** Members and Candidates must develop and maintain appropriate records to support their investment analyses, recommendations, actions, and other investment-related communications with clients and prospective clients.

VI. CONFLICTS OF INTEREST

- A. Disclosure of Conflicts.** Members and Candidates must make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients, prospective clients, and employer. Members and Candidates must ensure that such disclosures are prominent, are delivered in plain language, and communicate the relevant information effectively.
- B. Priority of Transactions.** Investment transactions for clients and employers must have priority over investment transactions in which a Member or Candidate is the beneficial owner.
- C. Referral Fees.** Members and Candidates must disclose to their employer, clients, and prospective clients, as appropriate, any compensation, consideration, or benefit received from or paid to others for the recommendation of products or services.

VII. RESPONSIBILITIES AS A CFA INSTITUTE MEMBER OR CFA CANDIDATE

- A. Conduct as Participants In CFA Institute Programs.** Members and Candidates must not engage in any conduct that compromises the reputation or integrity of CFA Institute or the CFA designation or the integrity, validity, or security of the CFA Institute programs.
- B. Reference to CFA Institute, the CFA Designation, and the CFA Program.** When referring to CFA Institute, CFA Institute membership, the CFA designation, or candidacy in the CFA Program, Members and Candidates must not misrepresent or exaggerate the meaning or implications of membership in CFA Institute, holding the CFA designation, or candidacy in the CFA program.