

## **ADVANCED RESEARCH INVESTMENT SOLUTIONS, LLC**

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Advanced Research Investment Solutions, LLC (hereinafter “ARIS” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at this telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

**Item 2. Material Changes**

In this Item, ARIS is required to discuss any material changes that have been made to the brochure since the last annual amendment. While certain information has been updated, the Firm has not made any material changes to the content of the brochure.

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## Item 4. Advisory Business

ARIS was formed in 2014 and is principally owned by Alex Shahidi. As of December 31, 2014, the Firm has \$9,289,428,000 of assets under advisement. The Firm's assets under advisement include \$8,355,924,000 of non-discretionary assets under management and \$933,504,000 of assets where the Firm provides investment consulting services.

Prior to ARIS rendering any advisory services, clients are required to enter into one or more written agreements with ARIS setting forth the relevant terms and conditions of the advisory relationship (the "Advisory Agreement").

While this brochure generally describes the business of ARIS, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm's officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on ARIS's behalf and is subject to the Firm's supervision or control.

### Investment Management Services

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ARIS manages client investment portfolios on a non-discretionary basis. ARIS primarily recommends clients allocate assets among various independent investment managers ("Independent Managers"), investment funds (including privately placed securities), mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, and options in accordance with their stated investment objectives.

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage ARIS to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, ARIS directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

ARIS tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. ARIS consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify ARIS if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if ARIS determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### **Use of Independent Managers**

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As mentioned above, ARIS may recommend certain Independent Managers actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

ARIS evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. ARIS also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

ARIS continues to provide services relative to the non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. ARIS seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### **Retirement Plan and Investment Consulting Services**

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ARIS also offers clients a broad range of retirement plan and investment consulting services, which may include advice regarding asset allocation, manager selection and investment risk management, among other areas.

ARIS may recommend clients engage the Firm for additional related services and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage ARIS or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by ARIS under a retirement plan or investment consulting engagement. In performing these services, ARIS is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising ARIS's recommendations and/or services.

## Item 5. Fees and Compensation

ARIS offers services on a fee basis, which includes fees based upon assets under management or advisement, as well as fixed fees.

### Fees

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ARIS offers its services for an annual fee based on the amount of assets under the Firm's management or advisement. This management fee generally varies in accordance with the following fee schedule:

<u>PORTFOLIO VALUE</u>	<u>FEE</u>
Up to \$10,000,000	0.60%
\$10,000,001 - \$50,000,000	0.50%
\$50,000,001 - \$100,000,000	0.40%
Above \$100,000,000	Customized Fee

Alternatively, ARIS may provide its services to certain clients for a fixed fee. These fees are negotiable, but generally range from \$50,000 to \$1,000,000 depending upon the amount of assets to be managed or advised upon, as well as the scope and complexity of the services provided.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by ARIS on the last day of the previous billing period.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

### Fee Discretion

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ARIS may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

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**Additional Fees and Expenses**

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In addition to the advisory fees paid to ARIS, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

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**Direct Fee Debit**

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Most clients are invoiced by ARIS for fees. In certain circumstances, clients can provide ARIS and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to ARIS.

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**Account Additions and Withdrawals**

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Clients may make additions to and withdrawals from their account at any time, subject to ARIS’s right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client’s account. Clients may withdraw account assets on notice to ARIS, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. ARIS may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (*e.g.*, contingent deferred sales charges) and/or tax ramifications.

**Item 6. Performance-Based Fees and Side-by-Side Management**

ARIS does not provide any services for a performance-based fee (*i.e.*, a fee based on a share of capital gains or capital appreciation of a client’s assets).

## Item 7. Types of Clients

ARIS offers services to pension and profit sharing plans, charitable organizations, corporations and other business entities, individuals, and trusts and estates.

### Minimum Account Value

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As a condition for starting and maintaining an investment management relationship, ARIS generally imposes a minimum portfolio value of \$10,000,000. ARIS may, in its sole discretion, accept clients with smaller portfolios based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. ARIS only accepts clients with less than the minimum portfolio size if the Firm determines the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. ARIS may aggregate the portfolios of related accounts to meet the minimum portfolio size.

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

### Methods of Analysis and Investment Strategies

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ARIS provides investment advisory services that are customized to each client's investment objectives, time horizon and risk tolerances. The Firm's advice is rooted in a fundamental understanding of global economic conditions and asset class pricing, and an ability to discern top-tier third party investment talent. In offering advisory services, ARIS utilizes the following methods:

#### *Dialogue / Establishing Investment Objectives*

At the outset of every engagement, and on an ongoing basis, ARIS engages in an active dialogue to gain an understanding of the client's goals, objectives and constraints. This dialogue may include the comparison of different portfolio alternatives, with relevant return and risk metrics (e.g. drawdown, volatility of returns). ARIS collaborates with the client to establish or update the client's investment objectives. Investment objectives typically represent a long-term strategy for the portfolio(s). ARIS is generally authorized to manage client portfolios within the parameters of the client's investment objectives.

#### *Portfolio Design and Asset Allocation*



The first step in ARIS' investment process is determining an appropriate asset allocation for each client. The Firm has developed an analytical framework for asset allocation that seeks to maximize the consistency of absolute returns subject to each client's investment objectives. The analysis is based on proprietary and third party research on economic conditions, current asset class valuations, and a fundamental understanding of the key economic drivers for each asset class.

The risks inherent in an allocation approach to investing may include fundamental analysis that leads to the investment in an asset or strategy, while market conditions nonetheless negatively impact the value of the asset or strategy.

#### *Portfolio Construction and Implementation*

Based upon the client's investment objectives, ARIS recommends a carefully selected mix of active and passive strategies, helping to ensure low cost and tax-efficiency (when applicable). In cases where ARIS has investment discretion, the Firm actively implements, monitors, and rebalances the assets comprising the investment program. Where the Firm does not have discretion, it recommends an initial allocation and subsequent rebalancing of investments.

Portfolio implementation and rebalancing are managed across several key variables, which may include: valuation, asset class, geography, market capitalization, style, sector, and liquidity.

#### *Manager Selection and Due Diligence*

ARIS recognizes that many active managers do not beat their benchmarks net of fees over multiple cycles, so active management is utilized only with advisors (including fund managers and Independent Managers) that ARIS deems to have reliable, demonstrated skill. These managers are chosen based on ARIS' qualitative assessment of their investment skill and their longer-term performance record rather than the typically emphasized returns over the past three to five years.

### **Risk of Loss**

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#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of ARIS's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that ARIS will be able to predict those price movements accurately or capitalize on any such assumptions.

#### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

#### *Use of Private Collective Investment Vehicles*

ARIS recommends that certain clients invest in privately placed collective investment vehicles (*e.g.*, hedge funds, private equity funds, real estate funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

#### *Use of Third Parties for Management (General)*

As discussed, ARIS typically allocates client assets through third party advisors, including Independent Managers, ETFs, Mutual Funds and Private Investment Vehicles. The risks associated with the allocation of certain assets with these advisors include that ARIS is relying on the expertise of third parties, as well as the ability of its diligence procedures to select and monitor appropriate advisors.

ARIS will continue to do ongoing due diligence of recommended third party advisors, but such recommendations rely, to a great extent, on those advisors' ability to successfully implement their investment strategy. ARIS does not have day-to-day supervisory or management responsibilities for third party advisors.

#### *Options*

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

#### *Real Estate Investment Trusts (REITs)*

ARIS may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

## **Item 9. Disciplinary Information**

ARIS has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## Item 10. Other Financial Industry Activities and Affiliations

### Affiliation with Independent Manager

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Damien Bisserier, in his individual capacity, has a legacy relationship with Bridgewater Associates, LP (“Bridgewater”). Mr. Bisserier has a small phantom equity position in Bridgewater where he has no affiliation with Bridgewater, but does receive dividend payments from Bridgewater as a function of their investment performance and asset growth. This relationship results in a conflict of interest where ARIS considers utilizing Bridgewater as an Independent Manager for client accounts. When the Firm is considering allocating assets to Bridgewater, Mr. Bisserier will recuse himself from the decision.

## Item 11. Code of Ethics

ARIS has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. ARIS’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading of the same securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of ARIS’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact ARIS to request a copy of its Code of Ethics.

## **Item 12. Brokerage Practices**

### **Recommendation of Broker/Dealers for Client Transactions**

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ARIS will review and recommend financial institutions for custody, brokerage and clearing services. The Firm will review the current relationships clients have in place and make recommendations on whether to keep those relationships or engage a new Financial Institution.

Factors which ARIS considers in recommending a particular Financial Institution to clients include their respective financial strength, reputation, execution, pricing, and service. Financial Institutions may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by recommended Financial Institutions may be higher or lower than those charged by other Financial Institutions.

The commissions paid by clients to Financial Institutions recommended by the Firm will comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where ARIS determines that the commissions are reasonable in relation to the value of the brokerage 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 Financial Institution's services, including among others, execution capability, commission rates and responsiveness. ARIS seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

ARIS periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

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ARIS may receive without cost from Financial Institutions computer software and related systems support, which allow ARIS to better monitor client accounts maintained at Financial Institutions. ARIS may receive the software and related support without cost because the Firm renders investment

management services to clients that maintain assets at the Financial Institutions. The software and related systems support may benefit ARIS, but not its clients directly. In fulfilling its duties to its clients, ARIS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that ARIS's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, ARIS may receive the following benefits from Financial Institutions:

- Waiving of commissions or other fees charged to clients (which is a client benefit);
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

In addition, ARIS' start-up costs necessitated a loan to assist with launching the business. The Firm considered several loan providers, but Charles Schwab & Co., Inc. ("Schwab"), one of the Financial Institutions and custodians recommended by the Firm, offered the most attractive terms and was therefore chosen as a counterparty. All decisions to recommend Schwab as a custodian to the Firm's clients were made prior to seeking a loan and the Firm intends to pay back the loan within its first year of business. The loan is guaranteed by Alex Shahidi, one of the Firm's principals. The terms of the loan require that management fees to the Firm be paid to an account at Schwab for deduction of interest and principal payments on the loan before ARIS may access such management fees. The loan agreement contains various representations and covenants by the Firm, including, among others, that ARIS will maintain at least \$360,000,000 in end client net assets held at Schwab, and that the Firm will comply with all applicable laws, regulations, and agreements, and obtain all necessary licenses, consents and permits. Upon the occurrence and during the continuance of an event of default under the loan agreement, Schwab may terminate and/or accelerate the loan, which may have a material adverse effect on the Firm's ability to perform services for you. As mentioned above, though, the Firm intends to repay the loan within the first year of business.

#### **Brokerage for Client Referrals**

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ARIS does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

**Directed Brokerage**

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The client may direct ARIS in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by ARIS (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, ARIS may decline a client’s request to direct brokerage if, in the Firm’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

**Trade Allocation**

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Transactions effected by ARIS are generally effected independently because the Firm primarily allocates assets amongst Independent Managers, mutual funds, ETFs and Index Funds. The Independent Managers may combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently.

In the event that the Firm is purchasing investments in a limited opportunity it will generally prorate the opportunity amongst appropriate clients. If the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of an investment is available, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## Item 13. Review of Accounts

### Account Reviews

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ARIS monitors client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with ARIS and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and quarterly to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

### Account Statements and Reports

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from ARIS and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from ARIS or an outside service provider.

## Item 14. Client Referrals and Other Compensation

### Client Referrals

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The Firm does not provide compensation to any third-party solicitors for client referrals.

## Item 15. Custody

The Advisory Agreement and/or the separate agreement with any Financial Institution may authorize ARIS and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the



authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to ARIS.

In addition, as discussed in Item 13, ARIS may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from ARIS.

## **Item 16. Investment Discretion**

The Firm is required to disclose if it accepts discretionary authority to manage securities accounts on behalf of clients. ARIS is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. ARIS does not exercise discretion on behalf of clients.

## **Item 17. Voting Client Securities**

### **Declination of Proxy Voting Authority**

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ARIS generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## **Item 18. Financial Information**

ARIS is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.