

**Part 2A, Appendix 1**

***Item 1 - Cover Page***

**COMPASS FINANCIAL ADVISORS, LLC**

FORM ADV – PART 2A APPENDIX 1

March 21, 2017



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**This Wrap Fee Program Brochure provides information about the qualifications and business practices of Compass Financial Advisors, LLC (“Compass”) (CRD No. 109131). If you have any questions about the contents of this Brochure, please contact us at (219) 476-7100. 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 Compass, including a copy of its Form ADV Part 1, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

***Item 2- Material Changes To This Wrap Fee Brochure Since Its Last Annual Update***

- In Item 4, a managing member was added to the management team.
- The Methods of Analysis and Risk of Loss sections were expanded in Item 6.
- The Code of Ethics, Participation or Interest in Client Transactions and Personal Trading sections were expanded in Item 9.
- The Other Financial Industry Activities and Affiliations section was expanded in Item 9.
- Brad Stark is now serving as the Chief Compliance Officer

**Item 3**

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#### ***Item 4 - Service, Fees and Compensation***

Compass Financial Advisors, LLC (“Compass”) is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”). Individuals associated with Compass provide the advisory services on behalf of the firm. These individuals are appropriately licensed, qualified and authorized to provide advisory services on Compass’ behalf and are called Investment Adviser Representatives (“Representatives”). Compass has been offering advisory services since November 1998. Compass is owned by Bruce Patterson, James Bobos, David Fought, and Compass Financial Holdings, LLC, a holding company, which is owned by Louis J. Rogers and James A. Riggs. Compass does not control any other firm. Compass makes both investment management and counseling services available to a wide variety of clients, including individuals, entities, pension and profit sharing plans, trusts, estates and charitable organizations, corporations and other business entities. This Appendix 1 describes the firm’s “wrap” fee account management services, while the firm’s Form ADV, Part 2A brochure describes the firm’s counseling and management services provided on a non-wrap basis. Under a wrap program, the asset-based fee charged to clients covers Compass’s management fees, third-party portfolio management fees (if applicable), as well as certain brokerage transaction commission costs, on the majority of all transactions.

While providing its management services, Compass can advise clients about a wide variety of securities, including exchange-listed and over-the-counter stocks, warrants, bonds, commercial paper, certificates of deposit, municipal securities, U.S. government securities, mutual funds, exchange-traded funds, variable annuities and insurance, convertible securities, securities options and interests in partnerships, limited liability companies and other entities. Compass is also available to provide advice about insurance coverage.

The “wrap fee” management services of Compass are described in detail below. Another brochure, available upon request, describes planning, consulting, third party manager, management and other non wrap fee services.

As of December 31, 2016, Compass had total assets, including wrap fee assets, of approximately \$195,000,000 under discretionary management and no assets under non-discretionary management.

#### **A. Asset Allocation and Portfolio Supervisory Services**

Compass offers clients portfolio management and reporting services by means of its Asset Allocation and Portfolio Supervision program. Through the program, clients receive investment analysis, allocation recommendations, quarterly custodian statements reflecting holdings and transactions, and ongoing monitoring services for a portfolio which can include stocks, bonds, mutual funds, exchange-traded funds, private placements, and convertible securities. Accounts are restricted from buying, selling, or holding positions in so called Class C (level load) mutual fund shares. All eligible securities can be bought in an Asset Allocation and Portfolio Supervision account or transferred into the account. Compass may also hire and terminate third-party investment managers to manage all, or a portion, of a client’s account.

Under the program, the initial asset allocation process is based on the financial information gathered from the client including net worth, risk tolerance, financial goals and objectives and overall financial conditions. Based on that information, the client is provided with investment

recommendations designed to provide an appropriate asset mix consistent with the client's objections. The client's portfolio and its performance are monitored by Compass Representatives in light of the client's stated goals and objectives. The frequency of these reviews is determined by the Representative. Depending on the type of services agreement signed by the client, Compass may have discretion to place orders at will, and will do so without first contacting the client for permission for a transaction. Compass Representatives meet with the client on an as needed basis to discuss the portfolio or other aspects of the service.

Compass typically recommends that investment management clients use the custody services of Pershing LLC ("Pershing"). Pershing provides custody of client assets, processes transaction orders for client accounts, prepares account activity statements, and facilitates the payment of advisory fees due Compass and third-party managers.

As indicated above, when providing Asset Allocation and Portfolio Supervisory Services, Compass Representatives will exercise discretion when granted authority by clients, and most clients grant discretionary authority to Compass. When doing so, it allows Compass to select the securities to buy and sell, the amount to buy and sell, when to buy and sell, and the commission rate paid, without obtaining specific consent from the client for each trade. Clients should be aware that Representatives may make different recommendations and effect different trades with respect to the same securities and insurance to different advisory clients. Commissions and executions of certain securities transactions not covered by the wrap service fee, and transaction executions within the wrap program, implemented through the Custodian may not be better than the commissions or executions available if the client used another brokerage firm. However, Compass believes that the overall level of services and support provided to the client by custodians and broker-dealers for any trades not covered by the wrap fee outweighs the potentially lower costs that may be available from other brokerage service providers.

When exercising discretion, Compass may combine orders for more than one client's account to form a "block" order for the purpose of seeking a better price and or execution. When a block order is executed, the broker/dealer executing the order typically allocates an average execution price to all shares in the block order, which Compass then allocates to each customer's account position on a pro rata basis. Should a block order only be partially filled, available shares are distributed in a manner fair to all accounts.

If a client directs Compass to effect transactions through a particular broker/dealer, including Service Providers, Compass will do so. However, such an instruction may have implications to the client which may include incurring transaction costs that may be higher or lower than if the instruction was not given. Also, restricting Compass to particular broker/dealers may limit Compass's ability to include a client account order within block orders to obtain the best price or execution. For these reasons, Service Providers are the firms customarily required to be used for Compass's Asset Allocation and Portfolio Supervision Service wrap program.

In these instances where an order error occurs by Compass, it is Compass's policy to make the client's account whole.

### **Asset Allocation and Portfolio Supervision Services Wrap Fees.**

Fees payable for Asset Allocation and Portfolio Supervision program services will be calculated as a percentage of the total value of investments under management as set forth below.

<b>Value of Assets</b>	<b>Annual Fee</b>
\$0 - \$500,000	2.5%
\$500,001-\$1,000,000	2.0%
\$1,000,001-\$3,000,000	1.5%
\$3,000,001-\$10,000,000	1.0%
Over \$10,000,000	0.65%

In some cases, these fees may be negotiated. All fees are specified in each client's Services Agreement.

The asset-based fee includes all fees and charges for services, as applicable, of Compass, third-party managers and all applicable brokerage charges. The fee does not include the following: (a) charges for services provided by Compass, its affiliates or third parties which are outside the scope of this Agreement (e.g., retirement plan administration fees, trustee fees, wire transfer fees, account fees and charges incidental to brokerage and custodial services, etc.); (b) any taxes for fees imposed by exchanges or regulatory bodies; (c) mark-ups and mark downs charged on principal trades; (d) brokerage commissions and other fees and charges imposed because Compass or a Third-Party Manager chooses to effect securities transactions for the Account with or through a broker-dealer other than the Custodian; (e) sales loads and internal operating expenses on mutual funds, exchange traded funds and variable insurance contracts; (f) commissions on transactions occurring after notice of Agreement termination is given by one party to the other; (g) commissions on transactions ordered by the client; and (h) a \$4.00 per month administrative reporting fee. Each of these additional charges may be separately charged to the Account or reflected in the price paid or received for a given security.

Advisory fees are payable monthly, in advance and are calculated on the basis of the market value of the investments in the account including any balances held in money market funds. The fee for the initial partial month is waived entirely. Subsequent fees are charged in advance starting with the first complete month and are based on the market value of the account as of the last day of the most recently completed month. Upon termination of the account, any prepaid advisory fees will be refunded on a pro rata basis. Fees may be changed by Compass, upon 30-days advance written notice.

Clients should also be aware that certain management service programs require payments for services on a quarterly basis, on the same basis as specified above for monthly fees, except that all fees for partial quarters are prorated.

Mutual funds held in portfolios also incur investment management fees and other internal expenses as described in the prospectus of each fund. Thus, clients pay these internal fund fees in addition to program fees to Compass. Clients should be aware that such funds may be available outside of the Asset Allocation and Portfolio Supervision program at no charge.

Fees payable to Compass are deducted from the client's account when due. Compass will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the automatic deduction of fees from the account is contained in the Services agreement. The invoice sent to the custodian shows the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated. The client's periodic portfolio statements from the custodian disclose all amounts disbursed from the account, including advisory and service fees paid. The client may terminate the authorization for automatic deduction of advisory fees payable to Compass at any time by notifying Compass in writing.

Any client services agreement may be terminated by a client without penalty upon delivery of written notice to Compass within ten business days after the date of the client's execution of the Client Services Agreement.

## **B. Costs**

Compass's "wrap" fees shown above may be more or less than that charged by Compass to another client for similar services, and by other advisers for similar services. Also, Compass's "wrap" fee, i.e., the fee covering both advisory services and certain transaction commissions, may be more or less than two fees charged separately for management and transaction brokerage services. The factors that bear upon the cost of services are the size of the account, number of transactions, strategies employed, type of securities within an account, and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commissions being charged to the account.

Compass does not charge any performance-based fee.

## **C. Internal Fees of Funds and Other Excluded Costs**

In the event that exchange-traded funds or mutual funds are part of a client's portfolio, the mutual funds charge additional and separate internal management fees as described in the fund's prospectus. Thus, when these funds are in a client's account, two advisory fees are imposed: one internally by the fund, the other by Compass.

Not all transaction-related expenses are covered by the "wrap" fee schedule shown above. Mark-ups and mark-downs, spreads by market-makers, certain account charges by the Custodian, commissions and costs for transactions not placed through Compass's recommended Custodian, commissions on transactions occurring after termination of Compass's services agreement, and client-ordered transaction commissions are not covered. See the "Fees" section above.

## **D. Wrap Fee Incentives**

Because Compass absorbs transaction costs, its Representatives giving advice have a recommended financial incentive not to place transaction orders frequently since doing so increases the transaction costs to Compass and thereby reducing its revenue which the Representative shares. Thus, an incentive exists in a wrap services program to place trades less frequently. Also, because fees are asset-based, there is an incentive for the Representative to

recommend that a client not reduce positions since doing so will reduce the fee to the Representative. Also, Representatives may reverse more compensation in this program over others which require separate payment for advice, brokerage and other services, thus this financial incentive may also create a conflict of interest.

#### ***Item 5 - Account Requirements and Types of Clients***

Compass makes its advisory services available to a wide variety of clients including, but not limited to, individuals, high net worth individuals, pension and profit sharing plans and participants, trusts, estates, charitable organizations, corporations and other business entities. Although Compass does not generally have any conditions for providing its services, Compass Representatives may negotiate a base fee for all services.

#### ***Item 6 - Portfolio Manager Selection***

##### **A. Third-Party Managers**

When securing the services of third party portfolio managers, Compass will generally recommend and use the services of managers it has researched and is familiar with. Therefore, managers having better or worse performance may not be considered. Third-party managers are only recommended when the manager's strategy fits within a particular client's investment risk tolerance and objectives.

Third party portfolio manager performance, like that of investment performance, is reviewed periodically by Compass and discussed with the client. In most cases, recommendations to replace a third party portfolio manager are not made based upon short-term performance. When a third party portfolio manager is replaced, Compass will attempt to notify the client orally or in writing to obtain the client's consent for the change. However, Compass is granted authority to change managers even if a client's consent is not obtained. When a third party portfolio manager is selected, clients will receive that firm's Form ADV Part 2A brochure for review. Clients are encouraged to carefully review the information in the brochure upon receipt. The performance of third-party managers will not be reviewed by an outside source.

Representatives of Compass may be the portfolio managers and may not be as experienced or have a better performance record than other available managers.

##### **B. Related Managers**

Compass Representatives may act as portfolio managers. Because of their portfolio manager role, the incentives described in "Wrap Fee Incentives" above apply. Accounts are managed by Representatives according to the financial information and investment objectives provided by clients. Representatives may use various methods to determine what recommendations to make to the client as to how to allocate the Account. Any methods used are based on the Representative's professional judgment and experience. Compass Representatives providing management services may not have extensive experience in portfolio management, thus may not have a history of performance to match against other individuals and management firms. Thus, the Representatives providing advice are not subject to the same selection and review process that would occur if third-party managers were being evaluated. However, only seasoned



Representatives having sufficient securities knowledge, and customer advisory experience are allowed to provide management services in the Asset Allocation and Portfolio Supervision Services program.

## **C. Business Information**

### **Advisory Business**

Please see Item 4A.

### **Performance Based Fees and Side-by-Side Management**

Compass does not charge any performance-based fees. All fees are disclosed above.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

Compass' security analysis methods may include fundamental analysis, technical analysis, charting and cyclical analysis.

The main sources of information for analysis include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Additional research tools and sources of information that Compass may use include mutual fund and stock information provided by unaffiliated third parties (*e.g.*, Morningstar, etc.) and many other reports located on the Internet using the World Wide Web.

Compass 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)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Strategic and Tactical Asset Allocation may be utilized with domestic mutual funds, exchange-traded funds, or stocks and bonds as the core investments. Global mutual funds, sector funds and specialty exchange-traded funds may be added as satellite positions. Portfolios may be further diversified among large, medium and small sized investments in an effort to control the risk associated with traditional markets. Investment strategies designed for each client are based upon specific objectives stated by the client during consultations. Clients may change their specific objectives at any time. Each client executes an Investment Policy Statement that documents their specific objectives and their desired investment strategy.

**Please Note:** 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 recommended or undertaken by the Adviser will be profitable or equal any specific performance level. Investing in securities involves risk of loss that clients should be prepared to bear.

Risk is inherent in any investment in securities and the Adviser does not guarantee any level of return on a client's investments. There is no assurance that a client's investment objectives will be achieved. A client may be subject to certain risks, including, but not limited to, the risks described below. The risks discussed below vary by investment style or strategy, and may or may not apply to a client. A client should also review the prospectuses or other disclosure documents for the securities purchased for the client's account, as they will contain important information about the risks associated with investing in such securities.

Investment strategies recommended by the Adviser may also be subject to some or all of the following types of risk:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They may carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many investors are interested in buying or selling a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Please Note:** There also are risks surrounding various insurance products that are recommended to Compass clients from time to time. Such risks include, but are not limited to loss of premiums. Prior to purchasing any insurance product, clients should carefully read the policy and applicable disclosure documents.

### **Voting Proxies on Client Securities**

Compass and its Representatives do not vote proxies on behalf of clients who will receive such notices from their account's custodian. Compass also does not take any action on legal notices it or a client may receive from issuers of securities held in a client's managed account. However, it is available to answer questions regarding such notices.

### ***Item 7 - Client Information Provided to Portfolio Managers***

Compass will provide third-party managers investment objective and restriction information and other information about the client at account inception, and thereafter as changes to such information is provided to Compass by a client. Please see the Firm's privacy policy as Compass adheres to a strict privacy policy as it relates to client's personal information. Client data may be provided to other third parties to enable the firm to provide trading, aggregation, reporting or other services necessary for Representatives to service the client's needs.

### ***Item 8 - Client Contact With Portfolio Managers***

Clients are free to contact their Compass portfolio manager at any time.

### ***Item 9 - Additional Information***

#### **A. Disciplinary Information and Affiliations**

Compass does not have any disciplinary information to report regarding itself or any of its Representatives or other related persons other than the following.

### **Other Financial Industry Activities and Affiliations**

Compass is not registered as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor.

Most persons associated with Compass are registered as securities representatives of Harbour Investments, Inc. ("Harbour Investments"), a licensed, full-service securities broker/dealer and investment adviser. Harbour Investments is a member of the Financial Industry Regulatory Authority ("FINRA"). In this capacity, these Representatives may provide securities brokerage services and implement securities transactions on a commission basis. Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest, and may affect the judgment of these individuals when making recommendations. Nevertheless, to the extent that a Compass Representative recommends the purchase of securities or other investment products where the representative receives commissions for doing so, a conflict of interest exists

because the Representative may be incentivized to make recommendations based on the compensation received rather than on a client's needs.

Representatives of Compass may also own limited liability interests in Harbour Investments. This ownership creates a conflict because the Representatives indirectly benefit from products and services sold through Harbour Investments since, as indirect owners of Harbour Investments, they share in profit distributions.

Some of the Representatives of Compass are also insurance agents licensed with the Indiana Department of Insurance. As licensed insurance agents, these Representatives offer life, accident, health, variable and long term care insurance-related products to clients. Such compensation is in addition to, and separate from the compensation they receive from Compass for providing investment advice. Insurance products are available through channels not affiliated with the Adviser. Clients have no obligation to purchase insurance products through the IARs.

## **B. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Compass maintains an investment policy for personal securities transactions at its business and it is part of the Adviser's general Code of Ethics (the "Code"). The Adviser establishes the standard of business conduct for all employees that are based on the fundamental principles of openness, integrity, honesty and trust. The Adviser also maintains and enforces written policies reasonably designed to prevent the Adviser or any person associated with Adviser from misusing material non-public information to comply with Section 204A of the Investment Advisers Act. Neither the Adviser, nor any related person of the Adviser, will recommend, buy, or sell securities within client accounts which the Adviser or a related person of the Adviser may have a material financial interest. A copy of the Adviser's Code is available to any client or potential client upon request.

The Adviser and/or its representatives may engage in securities transactions for their own accounts, including the same or related securities that are recommended to or owned by clients of the Adviser. These transactions may include trading in securities in a manner that differs from, or is inconsistent with, the advice given to clients of the Adviser, and the transactions may occur at or about the same time that such securities are recommended to or are purchased or sold for client accounts. This creates a potential for a conflict between the interest of the clients and the interests of the Adviser and/or its representatives.

To address the potential for conflict of interests, the Adviser has adopted a Code that applies to its representatives who have access to non-public information relating to advisory client accounts ("Access Persons"). The Code prohibits Access Persons from using knowledge about advisory client account transactions to profit personally, directly or indirectly, by trading in his/her personal accounts. Unless an enumerated exception exists, the Code also prohibits Access Persons who have discretionary authority over client accounts from executing a security transaction for their personal accounts during a blackout period that can extend from one to seven days before or after the date that a client transaction in that same security is executed.

## **Review of Accounts and Reports**

Reviews of wrap fee accounts are performed regularly by Compass' investment adviser representatives providing management services. In addition to periodic reviews, Compass may conduct account reviews when a triggering event, like a change in client investment objectives, financial situation, market correction or client request occurs.

Written brokerage statements are generated no less than quarterly and are sent directly from the account custodian. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are also sent confirmations following each brokerage account transaction unless confirmations have been waived.

All client correspondence, as well as all books and records of the Adviser, will be delivered and stored as electronic images and the originals of the electronically stored documents shall be destroyed. Thereafter, all electronic documents shall be deemed to serve as an original copy.

## **Client Referrals and Other Compensation**

Compass does not currently have any client referral relationships. Thus, it does not pay any fee to a third party for making client referrals to it. Also, as indicated above, the firm does not direct brokerage transactions to any third party, including Pershing, in return for client referrals.

Compass participates in service programs of Pershing and recommends the firm to clients for custody and brokerage services. Clients should be aware that there is no direct link between Compass and Pershing in connection with the advice Compass gives to clients. Compass receives economic benefits through the custody and operating relationships it has with Pershing that are typically not available to the Pershing's retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research-related products and tools; consulting services; access to a trading desk serving advisory representative participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees; and discounts or no fees on a compliance, marketing, research, technology, and practice management products or services provided to Compass by third-party vendors. Pershing may also pay for business consulting and professional services received by Compass's affiliated persons. Some of these products and services made available by Pershing may benefit Compass, but may not benefit its client accounts. Such other services made available by Pershing are intended to help Compass manage and further develop its business enterprise, and such services do not depend on the amount of brokerage transactions directed to them.

Clients should be aware that the receipt of the economic benefits described above by Compass from Pershing, in and of itself, creates a potential conflict of interest and may indirectly influence Compass' recommendation of Pershing for custody and brokerage services.

Compass and its Representatives may be eligible for incentive awards from Harbour Investments, which may affect product recommendations. Also, when certain mutual funds are included in client portfolios, Representatives giving advice may receive continuing, asset-based 12b-1 fees paid by the mutual funds through Harbour Investments. These fees are paid based on the value of the funds held in a portfolio. Thus, the Representatives have an incentive to recommend holding such positions since selling them will result in lower compensation to the Representatives.

Other than the services described above, Compass and its Representatives do not direct transactions and the commissions they generate (soft dollars) to brokerage firms or other parties to receive research or other benefits.

Compass Representatives are also licensed to offer securities and insurance products and will receive customary commissions for the sale of such products should a client decide to make purchases or sales through a Compass Representative which is not covered by the wrap fee. When selling these products, a conflict of interest exists. Both load and no-load funds may be recommended.

### **Financial Information**

Compass does not require or solicit fees of more than \$1,200 six months or more in advance, thus no financial statement for Compass is attached. Compass does not have any financial condition that is reasonably likely to impair its ability to meet its contracted commitment to any client.

## Privacy Policy

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**Preserving trust is a core value. Compass Financial Advisors, LLC (“Compass”) recognizes that clients expect us to protect the information they provide us and to use it responsibly. We are strongly committed to fulfilling the trust that is the foundation of our clients’ expectations. For that reason we have adopted and adhere to the following policy regarding the privacy of client information.**

### Why We Collect And How We Use Information.

When we evaluate your request for our services, provide investment advice to you and place transactions for your account, you typically provide us with certain personal information necessary for us to provide these services. We may also use that information to offer you other services we or an affiliate may provide which may meet your investment needs.

### What Information We Collect.

The information we collect may include: name and address; employer; Social Security number or tax payer identification number; assets; income; account transactions; investment and other financial product positions and balances; investment objectives; accounts at other institutions; transactions at other institutions, including affiliates; the identities of accountants, attorneys and other professionals you engage. Information we receive from third parties, including credit bureaus; and information we obtain to verify your representations to us, such as your identity and assets.

### We Limit How, and With Whom We Share Your Information

We do not sell your personal information to anyone. We may disclose information about you with your consent to our employees, affiliates, representatives and their affiliated businesses. We may disclose information to nonaffiliated third parties when providing services to you. Nonaffiliated third parties may include retirement plan sponsors or third party administrators, mutual fund companies, insurance companies and agencies, third party advisory firms, banks, broker-dealers, transaction clearing firms, accountants, lawyers, securities professionals, companies that assist us with the maintenance of required records, and others to assist us, or them, in providing services to you.

We may also share information with companies that perform services on our behalf, such as the companies that we hire to perform marketing or administrative services. Companies we may hire to provide support services are not allowed to use your personal information for their own purposes. We may also make additional disclosures as permitted by law.

We will also share the information we received from you as required by laws and rules applicable to you, client account service providers, Compass or Compass’s representatives.

If you close your account, in the process of transferring your accounts we may share your information with the new broker dealer, investment adviser or custodian that you or your Compass representative selects. Your Compass representative may use the personal information

about you in his or her files to provide you with information regarding the new firm, account transfer procedures and documents.

If you prefer that we not share your nonpublic personal information (except in those circumstances described above that are permitted or required by law), you may opt out at any time by notifying us not to share information. To notify us, please call us at 219/476-7100. You will be asked to provide identifying client information at that time, including your Social Security Number.

For accounts that are held jointly by more than one client, any of the account holders may opt out on behalf of the other account holders. Any opt out instructions received from one owner of a joint account will apply also to individual accounts in that person's name, as well as other accounts held jointly by that person, based on the account information we have.

#### How We Protect Information.

Employees and our advisory representatives are required to comply with our established information confidentiality procedures. We also maintain physical, electronic, and procedural safeguards to protect information. For example, our computer systems utilize password protection to prevent access by unauthorized personnel. Compass ensures service providers provide assurances that they will restrict their use of the information provided about you.

#### Access To and Correction of Your Information.

Upon your written request, we will make available your information for review. Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available. If your personal information with us becomes inaccurate, or if you need to make a change to that information, please contact us at the number shown below so we can update our records. Also, if you believe someone has accessed your account without authorization, please contact us as soon as possible.

#### Further Information.

For additional information regarding our privacy policy, or if you have any questions and/or concerns about your account or about our services, please contact us by writing to us at 9933 Dupont Circle Drive West, Suite 100, Fort Wayne, IN 46825.