



## **Form ADV – Part 2A (Client Brochure)**

March 28, 2017

### **Item 1: Cover Page**

This Client Brochure, the Part 2A of Form ADV (“Disclosure Brochure” or “Brochure”), is required under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). This Client Brochure provides information about the qualifications and business practices of Morton Capital Management, LLC (referred to as “MCM” or “Adviser”).

For any questions about the contents of this Brochure or to request another copy, please contact MCM’s Chief Compliance Officer, Diana Pereira, Esq., at 818-222-4727. 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. Morton Capital Management is a registered investment adviser with the SEC. However, SEC registration does not imply any level of skill or training.

Additional information about MCM is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). On the website, select “investment adviser firm” and type in the firm name.

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## **Item 2. Material Changes**

This “Summary of Material Changes” describes material changes made to the last annual updated filing and most recent interim filing of Morton Capital Management’s Brochure.

Advisory Business (Item 4) has been updated to expand its financial planning services.

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#### **Item 4. Advisory Business**

Morton Capital Management, LLC, is a California limited liability company and is owned by members of MCM's management and executive team. The Managing Members of MCM are Lon Morton, Meghan Pinchuk, Jeff Sarti and Eric Selter. MCM was founded in 1981, and registered as an investment adviser with the Securities and Exchange Commission in 1983.

MCM provides customized investment advisory and financial planning services. The goal is to build long-term relationships based on trust. MCM designs and implements investment strategies that take into account a client's unique objectives, including goals, risk tolerance, time horizon, liquidity needs and concerns. MCM places an emphasis on managing risk with the objective of reducing volatility. In order to provide clients with more objective advice, MCM operates on a fee-only basis and does not accept commissions from any source.

Generally, MCM provides investment advisory services on a discretionary basis.<sup>1</sup> For more information on discretion, please see Item 16, "Investment Discretion." MCM's investment advisory and financial planning services usually include, but are not limited to:

- Analyzing a client's current financial situation and prior investment experience
- Helping clients set goals to determine the appropriate time horizon, investment objectives, and amounts of money needed to accomplish investment goals
- Reviewing a client's risk profile to help define the tolerance for risk
- Designing and implementing an asset allocation strategy by selecting appropriate asset classes and determining how to allocate investable funds among those asset classes.
- Monitoring performance of funds and managers
- Reporting on a quarterly basis and performing ongoing analysis of a client's portfolio performance
- Modifying and rebalancing portfolios, based on a client's changing needs and MCM's analysis of individual portfolio performance
- Assessing applicable market and economic conditions
- Providing lifestyle and retirement planning, college funding ideas, and charitable giving strategies
- Assisting with estate analysis and advice, including multigenerational education and transition planning

In certain circumstances, MCM may also provide services on a limited discretionary or non-discretionary basis. As described above, MCM customizes its advisory services to a client's individual needs and invests within any reasonable restrictions that are placed on the types of securities within a portfolio.

As of December 31, 2016, MCM managed \$1,638,289,414 in total assets, \$1,564,955,765 of which is managed on a discretionary basis and \$73,333,649 on a non-discretionary basis.

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<sup>1</sup> "Discretionary basis" means that MCM has the power to buy and sell securities in a client's accounts without previously notifying the client. However, decisions are made based on a client's investment strategy and restrictions.

## Financial Planning Services

Financial planning services are offered on a comprehensive or limited focus basis supported by an analysis of the client's current situation, goals, and objectives. Information is obtained through personal interviews and the review of related documents and data supplied by the client. A written financial plan may be prepared and provided. The implementation of financial plan recommendations is entirely at the discretion of the client.

Our financial planning services may encompass one or more of the following areas:

*i. Financial Goals*

MCM helps clients identify financial goals and develop a plan to reach them. From identifying their financial goals, what resources they will need to achieve them, how much time they will need to reach them, to how much they should budget for each goal.

*ii. Estate Planning Review*

MCM's review usually includes an analysis of the client's exposure to estate taxes and his or her current estate plan, which may include a review of their will, powers of attorney, trusts and other related documents as applicable. In most cases, the analysis of estate plan documents such as wills and trusts will be conducted internally by MCM, but may sometimes be conducted by an independent estate planning attorney. Recommendations based on this analysis are provided to the client in a written review document. Recommendations may include ways for the client to manage future estate taxes by implementing estate planning strategies and suggestions for the amendment or redrafting of trust documents or wills.

*iii. Insurance Review*

A review of existing policies by an independent insurance agent may be conducted to ensure proper coverage in areas such as life, health, disability, long-term care, liability, home and automobile. In most cases, this review will be conducted internally by Morton Capital employees or for more complex needs, this analysis may be performed by an independent insurance professional.

*iv. Retirement Planning*

MCM's retirement planning service typically includes projections of the client's likelihood of achieving financial independence. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If the client is near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during their retirement years.

## **Item 5. Fees and Compensation**

### **Investment Advisory Service Fees**

MCM is compensated for its services on a fee-only basis. MCM's standard fees are based upon a percentage of assets under management and generally range from 0.50% to 1.00% on a tiered basis as described below or, on occasion, advisory fees may be a flat fixed amount. These fees are subject to negotiation.

Percentage of the Net Asset Value. Based on the net asset value of the account as of the end of the preceding calendar quarter, to be paid quarterly:

100 basis points (1%) per annum on the first \$2,000,000

75 basis points (3/4 of 1%) per annum on the next \$3,000,000

50 basis points (1/2 of 1%) per annum on amounts above \$5,000,000

Fixed Fee. A flat amount per year is determined and paid quarterly in advance.

MCM bills for fees on a quarterly basis and bases fees on the account's asset value as of the last business day of the prior quarter. The fees are automatically deducted directly from the client's account unless a direct bill is requested. Fees are generally due in advance, on the first day of the quarter. MCM has discretion to enter into a fee agreement other than the standard fee schedule shown above.

When an account is open during the quarter, fees will be prorated for the period it was under MCM management. When an account is closed during the quarter, clients will receive a pro rata refund of any advisory fees that may have been collected.

The advisory fees charged are in addition to any management or other fees charged internally by the managed separate accounts, mutual funds, structured notes, hedge funds, private money managers, or other investment providers that a client may invest in. Advisory fees are also in addition to any transaction or custodial fees charged by the account's custodian. For more information on custodians and brokerage, please see the "Brokerage Practices" section of this Brochure. Advisory fees are never charged more than six months prior to the performance of services. The contract (Investment Advisory Agreement) is terminable at will by either party upon receipt of written notice to the other party.

### **Financial Planning Service Fees**

MCM offers financial planning services as an integral part of its investment advisory services and therefore does not charge additional financial planning fees for investment advisory clients.

At our discretion, we may enter into an engagement with a client to create a one-time, customized financial plan on a fee basis. A client's fee for financial planning services depends upon the complexity of the engagement and scope of work. A typical plan will include topics described in the "Financial Planning Services" section above as agreed upon by MCM and the client. Fees for such a plan are determined on a case by case basis, based on the complexity of the engagement and scope of the work.

Standard fees are generally charged by the hour at \$350/hour or on a fixed fee basis ranging between \$2,000 and \$35,000 depending on the breadth of services provided and the complexity of the client's situation. Prior to commencing financial planning services, the client will be required to enter into an agreement for services. MCM has discretion to enter into a fee agreement that is different from the fees described above.

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

MCM does not charge any performance-based fees. Performance-based fees are based on a share of capital gains or capital appreciation of the assets of a client. An adviser charging performance fees to some accounts faces a variety of conflicts because the adviser can potentially receive greater fees from its accounts having a performance-based compensation structure than from those accounts it charges an asset based fee. As a result, the adviser could have an incentive to direct the best investment ideas to, or allocate trades in favor of, the account that pays a performance fee.

## **Item 7. Types of Clients**

MCM's cumulative minimum account requirement for opening and maintaining an account is \$1,000,000. However, MCM has discretion to accept accounts with a lower value. Because MCM's services are targeted mainly for accounts of over \$1,000,000, it may limit the number of smaller accounts that it chooses to accept. MCM may waive the account minimum or change the advisory fee for an account at its discretion.

MCM offers its services to individuals and families (including retirement accounts), pension and profit sharing plans, trusts, estates, charitable organizations, corporations, private funds, and other business entities.

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

MCM's methodology for selecting an appropriate portfolio strategy is based on the understanding of each client's financial circumstances and risk tolerance, combined with widely accepted principles of modern portfolio management as developed since the 1950s. The first step in the process is a personal interview to determine client's financial status, goals, investment experience, and attitude towards investing. This personal interview helps MCM establish an asset allocation that it believes to be suitable.

MCM selects asset allocation targets using the principles of modern portfolio management. These principles include concepts such as diversification, statistical measurement of investment volatility, and quantification of risk versus reward. Investment portfolios are diversified with respect to asset classes and manager styles to minimize the risks associated with individual securities, specific asset class, style or manager. However, it is worthwhile to note that while diversification can reduce specific investment risk, it cannot eliminate risk entirely. As such, every portfolio will have the potential for loss. Since investing in securities does involve risk of loss, investors should be prepared for possible losses.

Since MCM is not affiliated with any mutual fund, managed account investment companies, or other

third-party investment managers, its approach is not influenced by monetary considerations associated with proprietary products.

MCM relies heavily on research materials prepared by others, including corporate rating services, investment banks, and third party research firms to stay current with economic and financial-market-related news and developments. MCM also utilizes databases and other research services such as Morningstar or Bloomberg to research and gather information on specific investments or market sectors as well as general economic and financial market conditions. Members of the research team, advisers and/or Investment Committee members also participate in quarterly or more frequent conference calls with mutual fund managers, market strategists, and economists. Members of the research team may also attend conferences or conduct face-to-face interviews with managers.

***Traditional Investment Strategies:*** The majority of clients' portfolios are invested in retail and institutional share class mutual funds and ETFs (exchange-traded funds). Both quantitative and qualitative research methods are used to evaluate investments and create an approved investment list. From a quantitative methodology, MCM considers such factors as:

- The length of a manager's tenure
- The investment's track record
- Its performance versus peers and benchmarks
- Fund research capabilities, portfolio concentration, tax-efficiency, and expense ratios

Performance is analyzed using widely accepted statistical measures such as alpha, beta, standard deviation of return, and upside/downside performance over varying time frames using computer-based, analytical tools. With respect to fixed-income managers, MCM considers additional factors such as credit quality, duration or interest-rate sensitivity, and liquidity.

Following a quantitative research process, the qualitative process includes the use of in-depth third-party research and personal interviews to evaluate the suitability of the portfolio or fund manager for inclusion on MCM's approved investment list. MCM focuses the qualitative investigation on manager knowledge, discipline, passion, and shareholder orientation. The process is ongoing with the research team and advisors monitoring individual investment and total portfolio performance. If there is a change in management or strategy of a particular investment, the qualitative and quantitative assessment is reinitiated to determine if the investment is still suitable for inclusion in client portfolios.

***Private Alternative Investment Strategies:*** MCM believes that alternative investment strategies can add valuable diversification benefits to portfolios that cannot be obtained through investments in only stocks and bonds. Where appropriate, MCM presents certain clients (i.e., Accredited Investors<sup>2</sup> or Qualified

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<sup>2</sup> Rule 501 of Regulation D defines "Accredited Investor" as including, but not limited to: (i) a charitable organization, corporation, or partnership with assets exceeding \$5 million; (ii) a director, executive officer, or general partner of the company selling the securities; (iii) a business in which all the equity owners are accredited investors; (iv) a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person; (v) a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or (vi) a trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.



Clients<sup>3</sup>) with opportunities to invest in limited liability companies, limited partnerships, or other alternative strategies. These investments may include, among other things, hedging strategies, real estate equity, private lending, and private equity (together “private funds” or “private investment funds”). These investments, unlike stocks and bonds that are regularly traded, can experience illiquidity and pricing inconsistencies. As a consequence, and in compliance with existing regulations, private funds require a client’s approval before any investment is made.

Any client who subscribes, or proposes to subscribe, for an investment in a private fund must be able to bear the risks involved and must meet the fund’s suitability requirements. Some or all alternative investment programs may not be suitable for certain investors. No assurance can be given that a private fund’s investment objectives will be achieved. Private fund investments involve a substantial degree of risk. Private funds are generally highly illiquid. There is generally no secondary market for a private fund and none should be expected to develop. There are restrictions on transferring interests in a private fund. A private fund is subject to various other risk factors and conflicts of interest.

**Structured Notes:** MCM includes structured notes within its investment portfolios when deemed appropriate. Structured notes have a relative lack of liquidity due to the highly customized nature of the investment and rarely trade after issuance. Moreover, the full extent of returns from the complex performance features is not realized until maturity. Selling before maturity may be at a significant discount. Because of this, structured notes tend to be more of a buy-and-hold investment decision. Counterparty risk is another inherent risk with structured notes. A principal protected note is backed by the firm that issued the note. In the case of a bankruptcy of the issuer, the note holder would be repaid at a rate equivalent to other senior unsecured debt holders of the firm. Principal protected notes are not usually FDIC insured. Principal protection may only be partial, or “buffered,” or contingent based upon a stated event occurring.

**Interval Funds:** When appropriate, MCM utilizes interval funds for its investment portfolios. An interval fund is a type of investment company that periodically offers to repurchase its shares from shareholders. Shareholders are not required to accept these offers and sell their shares back to the fund. Although classified as closed-end funds, they are very different from traditional closed-end funds in that:

- Their shares typically do not trade on the secondary market. Instead, their shares are subject to periodic repurchase offers by the fund at a price based on net asset value.
- They are permitted to (and many interval funds do) continuously offer their shares at a price based on the fund’s net asset value.

An interval fund will make periodic repurchase offers to its shareholders, generally every three, six or twelve months, as disclosed in the fund’s prospectus and annual report. Interval funds may have limits on the total amount of shares that can be repurchased at a given date. If more shares are tendered for redemption than the allowable limit, shareholders will not be able to sell all of the shares they want to at

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<sup>3</sup> Rule 205-3 defines a “Qualified Client” as including: (i) a natural person or company with at least \$1,000,000 under management of the investment adviser immediately after entering into the contract (the “Assets Under Management Test”) OR (ii) a natural person or company that the investment adviser reasonably believes, immediately prior to entering into the contract has a net worth (together with his or her spouse) of more than \$2,000,000 (excluding the value of their primary residence) at the time the contract is entered into (the “Net Worth Test”).

that opening.

**Options Strategies:** When appropriate, MCM will employ options strategies for client accounts. Generally, MCM only employs options strategies for large accounts or accounts where there is a specific concentrated stock position. An option is a financial derivative contract that offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). These strategies may include, but are not limited to, covered calls, which are designed to generate income on an existing equity position, and the purchase of options, which can result in the complete loss of premium paid for the underlying option. Clients must complete the necessary Schwab paperwork and meet certain Schwab thresholds to be qualified for options trading capability. Price movements of options contracts are determined by the price of the underlying security, implied volatility, interest rates, and, where applicable, the dividend on the underlying security. Clients are also subject to the risk of the failure of any of the exchanges on which the options are traded or of their clearinghouses or counterparties.

All investing involves a risk of loss and the investment strategies offered could potentially lose money over any given period of time. While diversification is an important tool in reducing the unique risk associated with a single investment, it cannot completely protect against portfolio losses. While research can indicate a reasonable expectation of loss over any 12-month period, stressed markets – as experienced in 2008 and 2009 – can lead to larger-than-expected losses. MCM maintains regular communication with its clients to better understand their tolerances for risk and any changes to their financial circumstances that may require modification of the portfolio strategies.

Performance could be negatively impacted by a number of different market risks, including, but not limited to:

- Stock market risk, which is the chance that individual stocks will decline as a consequence of a general market decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.
- Non-diversification risk which is the chance that the performance may be hurt disproportionately by the poor performance of relatively few positions or even a single position.
- Interest rate risk which can cause the value of bonds to decline.
- Illiquidity risk which could mean that a particular investment cannot be sold when desired.

## **Item 9. Disciplinary Information**

Neither MCM as a firm, nor any of its current employees, have been involved in any legal or disciplinary events in the past 10 years.

## **Item 10. Other Financial Industry Activities and Affiliations**

Mr. Morton is on the Advisory Board of Partner Capital Solutions Fund (a private portfolio lender). It is a non-managing board created for the purpose of advising the Board of Managers.

Mr. Sarti is on an Advisory Committee of Live + Learn Properties Fund (a private fund). It is a non-

managing board created for the purpose of advising the Board of Managers.

Morton Capital Management is on a non-voting and non-managing Advisory Board for KCB Growth & Income Fund I, KCB Private Equity Fund II, KCB Diversified Real Estate Fund, KCB Real Estate Fund V, KCB Real Estate Fund VI, and Westridge Lending Fund.

Mr. Selter was elected to the board of Cytrx (CYTR), a publicly held corporation, on April 30, 2015.

Morton Capital Management has outsourced its internal accounting functions to Balance Financial Management ("Balance"). The Chief Compliance Officer, Diana Pereira, holds an ownership interest in Balance.

MCM has relationships with several parties that solicit or have solicited clients on its behalf. Please see Item 14, "Client Referrals and Other Compensation," for additional details.

MCM has a relationship with Charles Schwab & Company, Inc., and Fidelity Brokerage Services, LLC. Please see Item 12, "Brokerage Practices," and Item 14, "Client Referrals and Other Compensation," in this Brochure for additional detail.

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

In order to ensure that MCM maintains high ethical standards in its business practices, MCM has adopted and maintains a regulatory compliance manual that includes a Code of Ethics that sets forth the standards of conduct for acting with competence, dignity and integrity and in an ethical manner. A copy of the Code of Ethics is available to clients upon request by calling the telephone number on the cover page of this Brochure.

MCM's Code of Ethics requires, among other things, that employees:

- Act with integrity and competence 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
- Avoid any actual or potential conflicts of interest
- Conduct all personal securities transactions in a manner consistent with company policy, applicable laws, and ethical standards
- Exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities
- Maintain reasonable safeguards to protect client privacy
- Comply with applicable provisions of federal securities laws

***Personal Trading:*** Employees and their families sometimes buy and sell the same securities that MCM recommends and purchases for its clients. In fact, MCM believes that it is important that its principals

and advisers invest their personal funds in the same securities that are recommended to clients.

However, MCM recognizes there may be a potential conflict of interest if securities are purchased or sold in affiliated accounts on the same day as client accounts. Thus, to ensure that personal trading does not negatively impact clients, MCM has developed trading procedures and oversight for client protection. As MCM trades primarily mutual funds and private placements, the risk of conflict is mitigated as all trades on the same day will result in the same price for all accounts, avoiding any risk in trade price differences between client accounts and affiliated accounts. Details on these procedures can be provided upon request. MCM requires that employees submit quarterly reports with all of their personal securities transactions. Those records are reviewed to identify and resolve any conflicts of interest, to ensure compliance with applicable trading laws and to verify that MCM employees have put clients' interests ahead of their own.

For clients who choose to limit MCM's discretion, any potential delay in approvals may cause employee trades to be placed ahead of client trades and could result in MCM employees receiving a better price.

***MCM Invests Alongside Clients:*** A large part of MCM's value proposition is that its advisers often invest *pari passu* (on the same terms) with its clients in alternative investments. This is an important part of MCM's business as some clients may choose not to invest if their advisers are not participating as well. In the event a limited offering is deemed suitable for clients, then certain MCM-related persons will typically invest personally alongside clients in such offering. MCM-related persons are not invested in all investments held by clients.

***Limited Capacity Offerings:*** If there is limited capacity, MCM advisers will be limited to a maximum percentage of the total available allocation but will not be excluded from the offering. MCM advisers' participation could result in clients being unable to invest in a given offering, or unable to invest the full amount of their target allocation. In the event that the aggregate requested allocations exceed the total capacity, MCM shall follow its allocation policies and procedures, which include a number of criteria (such as, but not limited to, timing, size, or account type) intended to avoid potential conflicts of interest, to determine the allocation. MCM's allocation policies and procedures are available upon request. In addition, the CCO reviews each limited capacity allocation to ensure that clients are treated fairly and objectively.

***Limited Offerings Not Suitable for Clients:*** MCM reviews new private investment opportunities on a regular basis. MCM will only invest on behalf of a client when the due diligence process has been completed. If an investment is denied for inclusion on the MCM recommended investment list, MCM-related persons still have discretion to invest personally at their own risk. The CCO reviews each limited offering exclusion in which an MCM-related person invests to ensure that clients are treated fairly and objectively.

***Investments Prior to Completion of Due Diligence:*** It is MCM's policy not to recommend that a client invest in any private fund until the due diligence process has been completed. MCM principals and advisers have discretion to invest their own personal funds in investments not recommended by MCM. Historically, principals of MCM have invested early in private offerings prior to the completion of due diligence and prior to the decision whether or not to recommend that private fund to clients. MCM believes that it can be advantageous to clients for MCM advisers to invest first as a "test case" to gain

actual experience investing with the fund and potentially identify any administrative or investment red flags. MCM advisers will not invest early in private funds where it is known that there will be limited capacity. However, it is possible that capacity could fluctuate over time and an early investment by an MCM adviser would subsequently limit the capacity of MCM clients to invest once the investment is approved. The CCO reviews each limited offering investment in which an MCM-related person invests to ensure that clients are treated fairly and objectively.

***Private Funds Sponsored by MCM Clients:*** Certain MCM clients manage private investment funds that MCM may deem to be suitable investments for other clients from time to time. These funds must undergo MCM's standard due diligence process to determine whether or not they will be included on the MCM recommended investment list. Neither MCM, nor any of its related persons, receive additional compensation from these or any other private investment funds for investing client funds in the private investments.

MCM recognizes there may be a potential conflict of interest when securities are purchased in any of the above scenarios. These scenarios present a potential conflict in that the MCM adviser might seek to benefit him- or herself from this type of trading activity in the same securities. MCM seeks to manage these conflicts of interest by requiring the submission of regular reports regarding personal securities transactions and prior approval of any private investment by an MCM-related person. Conduct by a related person that is contrary to the Code of Ethics may subject the related person to possible sanctions, including, in appropriate cases, termination of employment.

## **Item 12. Brokerage Practices**

MCM recommends that clients establish brokerage accounts with either the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer and Member SIPC, or the Fidelity Institutional Wealth Services division of Fidelity Brokerage Services, LLC ("Fidelity"), a registered broker-dealer and Member SIPC. For certain alternative investments, MCM will recommend Millennium Trust Company, LLC ("Millennium"), an independent custodian. MCM is independently owned and operated and not affiliated with Schwab, Fidelity or any other broker-dealer.

In selecting Schwab, Fidelity or Millennium as primary custodians for client accounts, MCM considered several factors, including, but not limited to:

- Quality of service
- Quality of execution
- Cost of execution and trading
- Availability of investment products
- Financial stability
- Quality of technical support

***General Information Regarding Recommended Custodians:*** For client accounts maintained in Schwab's or Fidelity's custody, Schwab and Fidelity generally do not charge separately for custody but are compensated through commissions or other transaction-related fees for securities trades that are executed through or that settle into the custodial accounts. These commissions are determined by Schwab and Fidelity and are in addition to MCM's investment advisory fees. However, Schwab and Fidelity

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provide MCM with access to its institutional trading and custody services, which are typically not available to Schwab's and Fidelity's retail investors. These services are generally available to independent investment advisers on an unsolicited basis, at no charge to them. Schwab, however, requires a total of at least \$10 million of MCM's assets be maintained in accounts at Schwab that are not otherwise contingent upon MCM committing to Schwab any specific amount of business (assets in custody or trading). Schwab's and Fidelity's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

**Soft Dollars:** Schwab makes available to MCM other products and services that benefit MCM but may not benefit all client accounts. Some of these other products and services assist MCM in managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information, and other market data; facilitate payment of fees from clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of client accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to MCM other services intended to help manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for fees of a third party providing these services to us. While as a fiduciary, MCM endeavors to act in its clients' best interests, MCM's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to MCM of the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest. MCM acknowledges its fiduciary responsibility to treat clients fairly. Details of soft-dollar services will be provided upon written request.

Certain other services that are paid for with soft dollars are considered "mixed-use" products, meaning that they are partially allocable to research and partially allocable to non-research products such as software. MCM performs and documents its analysis of the portion of mixed-use products that are deemed to be appropriate for the use of soft dollars. A conflict of interest may arise in the process of determining the allocation for a mixed-use product.

MCM believes that all of its advisory clients benefit from the services received through soft dollars and that even though certain securities transactions may be cheaper on a few occasions through another custodian, the overall benefits of the research and brokerage services received through the Schwab relationship likely offsets any savings that would result from the use of a different custodian.

**Directed Brokerage:** Clients may direct MCM to use a particular broker-dealer to execute some or all transactions for their account (however, MCM has the right to decline to be engaged as the investment adviser based on this circumstance). In such an event, clients are responsible for negotiating the terms and arrangements for the account with the selected broker-dealer. MCM is not responsible for seeking best execution services or prices from other broker-dealers for those transactions. In addition, MCM will not be able to "batch" those transactions for execution through other broker-dealers with orders for other accounts managed by MCM. As a result, clients may pay higher commissions or otherwise have higher

costs or receive less favorable net prices on transactions for the account than would otherwise be the case. In the event that clients are referred to MCM by a broker-dealer, MCM may have a potential conflict between a client's interest in obtaining best execution and MCM receiving future referrals from that broker-dealer.

**Aggregated (Block) Trades:** If the same security is purchased on the same day on behalf of more than one client, the orders may be aggregated (in a block) if MCM believes the aggregation will be in the best interests of the participating clients. Such orders are generally allocated on a pro rata basis. MCM may use an omnibus account when aggregating client securities transactions.

**Private Money Managers:** Certain private money managers may require that trades be done through a broker other than Schwab. In each instance, clients will sign the required paperwork to open an account. Generally, any fees paid by clients to outside managers are equal to or lower than these managers charge others who are not MCM clients.

**Trade Errors:** Where a trade error occurs in a client account due to MCM's error, MCM will correct the trade at no cost to the client for all custodians. MCM's policy is that the client will be made whole.

### **Item 13. Review of Accounts**

Client accounts are reviewed by the MCM investment advisers at least quarterly and within the context of each client's stated investment objectives. More frequent reviews may be triggered by several possible events: receipt of quarterly performance reports, client notifications that circumstances have changed, major changes at mutual funds on MCM's approved list, or major economic/market conditions that cause MCM to review a particular asset class or fund and its continued viability for clients.

All individuals performing account reviews are investment advisers, associate advisors or investment officers whose responsibilities include client services and portfolio review. They are instructed to supervise in accordance with:

- The client's investment objectives, financial situation, prior experience, and risk profile
- The asset allocation strategy for the client
- MCM Investment Committee guidelines as to approved securities\*
- MCM Investment Committee discussions of general economic and market factors

MCM generally sends clients written performance reports on a quarterly basis (unless requested more frequently). In addition, clients will typically receive monthly or quarterly statements from the custodian that holds the assets. Clients may elect to receive notifications electronically or via hard copy. The custodial reports contain a listing of current holdings with their current market value at the end of each month. MCM usually provides performance both at the account level and at the asset class level. Quarterly reports will also normally include various benchmarks that clients may use to assess account performance.

*\*Advisers have historically invested in securities not on the approved security list if the MCM investment adviser has conducted a sufficient review of the security and the investment is in alignment with the*



*client's investment objectives, financial situation, prior experience, and risk profile.*

#### **Item 14. Client Referrals and Other Compensation**

MCM compensates unaffiliated third parties for referring clients. Such referral fees generally consist of a percentage of the advisory fees earned by MCM. The referral fees represent no additional expense to such referred clients. MCM will seek to conform to Rule 206(4)-3 under the Advisers Act in all instances. MCM may also use affiliated persons (e.g., MCM employees) as solicitors and they may receive cash or non-cash compensation for referring clients.

If a client is introduced by an unaffiliated solicitor (i.e., a person or entity that is not an employee, officer or director of MCM), the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide the client with a copy of MCM's written Brochure, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between MCM and the solicitor, including the compensation to be received by the solicitor.

MCM has entered into an agreement with Charles Schwab & Co., Inc., an independent and unaffiliated broker-dealer, to participate in the Schwab Advisor Network ("the Service"), an adviser referral service designed to help investors find an independent personal investment manager in their area. MCM receives client referrals from Schwab through its participation in the Schwab Advisor Network. Although not required by the Service, advisers that receive referrals from the Service are likely to execute transactions for their advisory clients referred through the Service with Schwab. The conflict of interest arises due to the fact that MCM may be more likely to use Schwab due to its interest in receiving referrals from them. This would be in conflict with a client's interest in receiving best execution. Again, MCM acknowledges its duty of best execution for all of its clients.

Schwab does not supervise MCM and has no responsibility for management of clients' portfolios or other advice or services. MCM pays Schwab fees to receive client referrals through the Service. MCM's participation in the Service may raise potential conflicts of interest as described below.

MCM pays Schwab a quarterly participation fee on all referred clients' accounts that are maintained in custody at Schwab and a one-time non-Schwab custody fee (collectively "the Fees") on all accounts that are maintained at, or transferred to, another custodian. The Fees paid by MCM are a percentage of the value of the assets in the clients' accounts. MCM pays Schwab the participation fee for so long as the referred client's account remains in custody at Schwab. The participation fee is billed to MCM quarterly and may be increased, decreased, or waived by Schwab from time to time. The Fees are paid by MCM and not by the referred client. MCM does not charge clients referred through the Service fees or costs greater than the fees or costs MCM charges clients with similar portfolios who were not referred through the Service. The non-Schwab custody fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The non-Schwab custody fee is higher than the participation fees that MCM would generally pay in a single year. Thus, MCM will have an incentive to recommend that client accounts be held in custody at Schwab.

MCM has entered into agreements with several additional solicitors, to refer advisory clients to MCM. MCM pays these parties a quarterly fee on all referred clients' accounts. The fees paid by MCM are a



percentage of the value of the assets in the clients' accounts. The fees are paid by MCM and not by the referred client. MCM does not charge clients referred by solicitor any fees or costs greater than the fees or costs MCM charges clients with similar portfolios who were not referred by solicitor.

### **Item 15. Custody**

Although MCM does not hold assets, it is deemed to have custody of some accounts pursuant to the SEC's Custody Rule 206(4)-2. MCM has custody when: (i) MCM has the ability to debit advisory fees directly from client accounts, (ii) its advisers are appointed as trustee on a client account (except as a result of a prior personal relationship), and (iii) its advisers possess check signing privileges.

For all accounts of which MCM is deemed to have custody, MCM will arrange for an independent public accountant to conduct a surprise annual examination. MCM will also ensure that an unaffiliated representative of the client in question receives written notification of any change in the affected accounts' custodial arrangements.

Client assets are held in custody by broker-dealers (such as Schwab) or banks who are not affiliated with us. The custodian will send statements directly to clients with a list of the securities owned and the estimated market value. Custodians will also send trade confirmations of account activities such as buys and sells each time that activity takes place. For clarification, certain private investments are either not subject to custody or are exempt from certain custody requirements if the securities are uncertificated, held on the books of the issuer, and subject to an annual audit.

Clients should carefully review the statements received from the custodian and compare the custodian's statement with reports they received from MCM. The custodian's statement may be different from MCM's if clients have invested in private funds, such as hedge funds or real estate. These differences are caused by factors such as customary pricing delays or variance in valuation methodologies. It should be noted that the custodial statement is the official record of a client's account and assets.

As part of the billing process, MCM will determine the quarterly advisory fee, send a statement to the client showing how the fees were calculated, and submit a request to the custodian to debit client accounts in the amount shown on the billing statements. Clients should carefully review the billing statement as the custodian will not have sufficient information to verify that the fees are correct. If clients have any questions on fees, they should contact their MCM investment adviser or the Chief Compliance Officer at the number shown on the cover of this Brochure.

### **Item 16. Investment Discretion**

MCM manages most of its clients' investment accounts on a discretionary basis; however, in certain circumstances MCM will manage accounts on a non-discretionary basis. Clients may impose reasonable restrictions on their accounts, and/or limit discretionary authority. Discretionary authority authorizes MCM to purchase and sell mutual funds, stocks, bonds, structured notes, interval funds, private funds, and other assets without contacting the client. However, MCM exercises its discretion consistent with a client's investment objectives.

For the discretionary portion of accounts, clients will be required to sign a discretionary investment

advisory agreement with MCM and may impose certain restrictions at that time. Clients may also be asked to open an account with Schwab or Fidelity, which will include signing a document authorizing, among other things, MCM to place trades on a client's behalf. MCM has negotiated a predetermined commission schedule with Schwab for all institutional accounts under its supervision.

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

MCM's policy is to vote by proxy on behalf of clients in the interest of maximizing shareholder value. Therefore, MCM will vote in a way that it believes is consistent with its fiduciary duty to clients. MCM will consider how a proxy vote might cause the security to increase or decrease in value, and will consider both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. Absent any concerns, MCM generally votes in accordance with Board recommendations unless a conflict of interest is present. Clients always have the right to direct how MCM votes on their behalf.

MCM has currently identified no conflicts of interest between clients' interests and its own within the proxy voting process. Nevertheless, if MCM determines that a material conflict of interest exists in voting a client proxy, MCM procedures provide for a management review to determine the appropriate vote or to engage a competent third party to determine a vote that will maximize shareholder value. MCM's complete proxy voting policy and procedures are available upon request. In addition, MCM's proxy voting record is available to clients and may be requested by calling the telephone number listed on the cover page of this Brochure.

### **Item 18. Financial Information**

MCM does not solicit prepayment of fees more than six months in advance.

MCM has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.



## **Form ADV – Part 2B**

### **(Client Brochure Supplement)**

March 28, 2017

This Brochure Supplement provides information on certain individuals who have discretionary authority over client assets as part of a team. It supplements the accompanying Form ADV Part 2A Client Brochure. The individuals included in this Brochure Supplement have the most significant responsibility for the day-to-day management of client accounts and are employed by Morton Capital Management. Please contact MCM's Chief Compliance Officer, Diana Pereira, Esq., at 818-222-4727 if you have any questions about the Form ADV Client Brochure or this Client Brochure Supplement or if you would like to request additional or updated copies of either document.

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## **Item 1: Educational Background and Business Experience**

### **Lon Morton, CEO and Co-Chief Investment Officer**

Lon Morton, born in 1945, has been MCM's CEO since 1983. He is also the Co-Chief Investment Officer, a member of the MCM Investment Committee, a member of the Board of Managers, and an Executive Officer. He holds an A.A. in general studies from Pierce College. He has extensive business experience in the investment and real estate areas.

### **Meghan H. Pinchuk, CFA<sup>®</sup>, CFP<sup>®</sup>, Co-President**

Meghan Pinchuk, born in 1984, joined MCM in April 2006 after graduating *summa cum laude* from the University of California, Los Angeles. Ms. Pinchuk is a Chartered Financial Analyst<sup>®</sup> and a member of the Los Angeles Society of Financial Analysts. She is also a Certified Financial Planner<sup>™</sup> professional. Ms. Pinchuk is currently a Co-President and a member of the Board of Managers at MCM. She is also member of the Investment Committee.

### **Jeffrey Sarti, MBA, CFA<sup>®</sup>, Co-President**

Mr. Sarti, born in 1974, rejoined Morton Capital in 2011 after serving as the firm's Chief Investment Officer from 2004 through 2007. Mr. Sarti serves as a Co-President of MCM and is a member of the Board of Managers. From 2008 through 2010, Mr. Sarti was co-managing partner of Crosscourt Capital Management, a hedge fund firm specializing in volatility and options trading strategies. In 2002, Mr. Sarti worked at McKee Investment Management (with \$750 million in assets as of 2002), where he served as a portfolio manager and credit analyst. From 1999 through 2001, he was employed as a portfolio manager at Joel R. Mogy Investment Counsel (with \$1 billion in assets in 2001). Mr. Sarti received his Bachelor of Science degree in biology from Stanford University and his MBA in finance from the Anderson School of Business at the University of California, Los Angeles. Mr. Sarti is a Chartered Financial Analyst<sup>®</sup> and a member of the Los Angeles Society of Financial Analysts. He is member of the Investment Committee.

### **Eric J. Selter, JD, Chief Operating Officer**

Eric Selter, born in 1957, is a graduate of the University of Southern California and was awarded his Juris Doctor from Loyola Law School in Los Angeles in 1982. He is a member of the State Bar of California. As Vice President of CMS, Inc., from 1982 through 2006, a broad-based management consulting firm, Mr. Selter worked with professionals, including healthcare providers, in the planning and management of their professional corporations, including pension and tax planning as well as investment review. Mr. Selter has been associated with MCM since 1998 and was appointed to be the Chief Operating Officer of MCM in April 2002. He is also a member of the Board of Managers.

### **Sasan Faiz, Co-Chief Investment Officer**

Sasan Faiz, born in 1959, joined MCM in July 2008, and is the Co-Chief Investment Officer. Sasan received both his bachelor's and master's degrees in mechanical engineering (thermal sciences) from the University of Michigan. Prior to joining MCM, he was the Chief Investment Officer at Partnervest Advisory Services LLC in Santa Barbara from June 2004 to June 2008. In that capacity, he designed, developed and managed the STAR Asset Management Program. He also led the investment management efforts for the firm's outsourced asset management business. Prior to that, he was the portfolio manager for a high-tech hedge fund (CyberFund) in Santa Barbara. He is also a member of the Investment Committee.

### **Joseph A. Seetoo, CFA®, CFP®, Senior Vice President**

Joseph Seetoo, born in 1976, received his bachelor's degrees in economics and international relations from Randolph-Macon College. Mr. Seetoo is a Chartered Financial Analyst®, a member of the CFA Institute, a Certified Financial Planner™ professional, and a member of the Los Angeles Society of Financial Analysts. Prior to joining Morton Capital Management in 2007, he served as the Director of Investment Research for Georgina Asset Management, LLC, a registered investment advisor located in Santa Monica, CA, from September 2003 until July 2007, and as the Director of Operations from May 2000 until September 2003. Mr. Seetoo has served as a Vice President since October of 2013.

### **Priscilla A. Brehm, ChFC®, CMFC®, Wealth Advisor**

Priscilla Brehm, born in 1947, is a wealth advisor at MCM. She attended the University of Northern Iowa. Ms. Brehm also holds certificates in advanced estate planning and advanced employee benefit planning from the American College in Bryn Mawr, PA. She has been a member of the financial services profession since 1971. Ms. Brehm joined MCM in 1988 and became an officer in January 1990. Her professional designations include Chartered Mutual Fund Counselor<sup>SM</sup> and Chartered Financial Consultant®.

### **Jason R. Naiman, ChFC®, Wealth Advisor**

Jason Naiman, born in 1945, joined MCM in 1991 and is a wealth advisor at MCM. Mr. Naiman holds a Bachelor of Science degree in marketing from Jacksonville University. Mr. Naiman entered the financial services industry in 1968 with the Manufacturers Life Insurance Company. He specialized in financial and estate planning for individual and corporate clients from 1968 to 1982. From 1982 to 1985, he served as Vice President of Marketing for Real Property Services Corporation, a firm that specialized in real estate investments. Mr. Naiman is a Chartered Financial Consultant®.

### **Alan S. Kane, CFP®, CMFC®, Wealth Advisor**

Alan Kane, born 1945, is a CFP® and a CMFC. Mr. Kane attended Los Angeles College from 1963-1966. He was an investment broker and Vice President at Drexel Burnham Lambert from 1982 until 1989. He then served for nine years as a manager in the Los Angeles office of Gruntal & Company. He joined MCM in 1997, is a Chartered Mutual Fund Counselor<sup>SM</sup>, and a Certified Financial Planner<sup>TM</sup> professional.

### **Paul F. McDonald, MBA, Wealth Advisor**

Paul McDonald, born in 1949, has been in the financial services business since 1994, including eight years as a senior investment consultant with Charles Schwab & Company. Mr. McDonald holds a Bachelor of Arts degree with honors from the University of California, Los Angeles, and an MBA from California State University, Northridge. Mr. McDonald joined MCM in October of 2003.

### **Cathy C. Cash, MBA, CFP®, Wealth Advisor**

Cathy Cash, born in 1956, is a CFP® professional. She earned her Bachelor of Science degree in communications from the University of Tennessee in Knoxville, TN, and her master's degree in business from Rockhurst College in Kansas City, MO. Prior to joining MCM, Ms. Cash worked for Northern Trust from May 2005 to June 2007 as a wealth strategist responsible for marketing to affluent individuals, families and organizations in Santa Barbara County. She has over 25 years of experience in finance and investment management.

### **Bruce L. Tyson, Wealth Advisor**

Bruce Tyson, born in 1953, joined Morton Capital Management in September 2015. He earned a Bachelor of Arts from Wesleyan University in 1975. Prior to joining MCM, Mr. Tyson was the President and Director of Weston Capital Management since 1997 and had been with the firm since 1985.

### **Angela Roper, Senior Research Analyst**

Angela Roper, born in 1982, joined MCM in December 2006. She is a 2006 graduate of California State University, Northridge, with a Bachelor of Science degree in business and a minor in business law. Ms. Roper received her Master of Science degree in finance and financial law from the University of London in 2014. Ms. Roper is a Senior Research Analyst with Morton Capital Management\.

### **Chelsea N. Watson, CFP®, Associate Wealth Advisor**

Chelsea Watson, born in 1985, joined MCM in April 2010. She earned her Bachelor of Science degree in business administration from the University of Southern California in 2006 and became a Certified Financial Planner<sup>TM</sup> professional in 2014. Prior to joining MCM in 2010, Chelsea worked for a global market research firm as a sales assistant and was an integral part of the project team responsible for each study's success. She is a member of the Financial Planning Association of Ventura County..

**Stacey L. McKinnon, Associate Wealth Advisor**

Stacey McKinnon, born in 1986, joined Morton Capital in March 2014. Stacey graduated from the University of California, Santa Barbara, in September 2007, with Bachelor of Arts degrees in business economics and religious studies. Stacey is currently in the process of earning her Certified Financial Planner<sup>TM</sup> designation and holds a Series 65 license.

**Kevin G. Rex, Associate Wealth Advisor**

Kevin Rex, born in 1983, joined Morton Capital in 2015. Prior to Morton Capital, Kevin worked with Stryker, an orthopedic medical device business, specializing in total joint replacements as well as trauma care. Kevin graduated from Cornell University in 2006. Kevin is in the process of earning his Certified Financial Planner<sup>TM</sup> designation and holds a Series 65 license.

**L. R. (Wade) Calvert II, CFP®, CPWA®, Associate Wealth Advisor**

Wade Calvert, born in 1986, joined Morton Capital Management in 2016. He has over seven years of experience in the financial services industry, with a focus on providing comprehensive wealth management solutions to business owners and affluent families. Prior to joining the firm, he worked as a financial consultant with Fidelity, and served as Director of Family Office Services for American Financial Network, a registered investment advisor located in Calabasas. Mr. Calvert graduated from California State University, Northridge, with a Bachelor of Science degree in finance, and is a Certified Financial Planner<sup>TM</sup> and Certified Private Wealth Advisor® professional.

**Destiny Freeman, MBA, CFP®, Associate Wealth Advisor**

Destiny Freeman, born in 1990, joined Morton Capital in 2016. Prior to joining Morton Capital, she worked for Santa Barbara Bank and Trust/ Union Bank as a Private Banker from 2012 to 2016. Destiny earned her Bachelor of Arts degree in Economics from Pepperdine University, and her MBA in Financial Planning from California Lutheran University. She also holds a Series 65 license. Destiny earned her Certified Financial Planner® designation in 2016.

**Brittany I. Yudkowsky, CFP®, Financial Planning Associate**

Brittany Yudkowsky, born in 1983, joined Morton Capital in 2010. Brittany graduated from the University of California, Los Angeles, in June 2006, with a Bachelor of Arts degree in English. Brittany is a Certified Financial Planner<sup>TM</sup> professional.

**Tom Noble, MBA, Associate Wealth Advisor**

Tom Noble, born in 1985, joined Morton Capital in 2016. Prior to Morton Capital, Tom worked at Dimensional Fund Advisors, a mutual fund company specializing in broadly diversified portfolios rooted in academic research. Tom holds a Bachelor's of Business Administration in Finance from the University of Southern California and a Master's of Business Administration in Investment Management



from the University of Texas at Austin. He is pursuing his Certified Financial Planner<sup>TM</sup> designation and is a candidate in the Chartered Financial Analyst program.

### **Item 3: Disciplinary Information**

There are no legal or disciplinary events that would be material to a client's evaluation of any team member or of Morton Capital Management.

### **Item 4: Other Business Activities**

Mr. Morton is on the Advisory Board of Partner Capital Solutions Fund (a private portfolio lender), a non-voting board created for the purpose of advising the Board of Managers. MCM does not believe that Mr. Morton's participation on this board presents any conflicts of interest to MCM and/or its clients and investors. Mr. Morton currently receives no outside compensation for his board participation.

Mr. Selter was elected to the board of Cytrx (CYTR), a publicly held corporation, on April 30, 2015, and does receive compensation for his board participation.

Mr. Sarti is on an Advisory Committee of Live + Learn Properties Fund (a private fund). It is a non-managing board created for the purpose of advising the Board of Managers. MCM does not believe that Mr. Sarti's participation on this board presents any conflicts of interest to MCM and/or its clients and investors. Mr. Sarti currently receives no outside compensation for his board participation.

### **Item 4: Additional Compensation**

The individuals listed on this Part 2B do not receive economic benefits from any person or entity other than MCM in connection with the provision of investment advice to clients.

### **Item 4: Supervision**

The Investment Committee maintains ultimate responsibility for the Company's investment decisions. Diana Pereira, as Chief Compliance Officer, is ultimately responsible for monitoring and supervising the adherence to the Company's compliance program. The activities of all team members are overseen by the Co-Presidents, Meghan Pinchuk and Jeff Sarti, and the Chief Compliance Officer, Diana Pereira. Any of these individuals can be reached directly by calling the telephone number on the cover of this Brochure Supplement.



## **List of Designations Used in this Brochure Supplement:**

### **CFA® – Chartered Financial Analyst®**

This is a professional designation related to financial planning. In order to earn a CFA®, a financial professional must have four years of previous experience, take and pass the required courses in a variety of financial planning areas, and pass all required examinations. The CFA Institute mark is a trademark owned by CFA Institute.

### **CFP® – Certified Financial Planner™**

This is a professional designation related to financial planning. In order to earn a CFP® designation, a financial professional must have a bachelor's degree and three years of previous experience, complete the education requirements of the CFP® Board, pass the CFP® exam, and meet continuing education requirements.

### **ChFC® – Chartered Financial Consultant®**

This is a professional designation related to financial planning. In order to earn a ChFC®, a financial professional must have three years of previous experience, take and pass nine courses in a variety of financial planning areas, and meet continuing education requirements.

### **CMFC® – Chartered Mutual Fund Counselor<sup>SM</sup>**

This is a professional designation related to mutual funds. In order to earn a CMFC®, a financial professional must take and pass all required courses for the designation, pass the examination, and meet continuing education requirements.

### **CPWA®- Certified Private Wealth Advisor®**

This is a professional designation related to advanced financial planning. In order to earn a CPWA®, a financial professional must take and pass all required courses for the designation on a variety of wealth management topics, adhere to a code of ethics, and meet continuing education requirements.