

## Savvy Advisor Form ADV Part 2A

**Savion Asset Management Advisory LLC.**  
**(DBA) Savion Advisory, LLC.**

**3340 NE 190 Street Suite 402**

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**[www.savyonadvisory.com](http://www.savyonadvisory.com)**



November 27

Form ADV Part 2  
November 27

This Brochure Proposals Clients (“**you**” or “**your**”) with information about the qualifications and business practices of Savyon Asset Management Advisory, LLC (“**Savyon Advisory.**”, the “**firm**”, “**us**”, “**we**”, “**our**”, or “**us**”) that you should consider before becoming one of our clients. If you have any questions about the contents of this Brochure, please contact us at (786)201 - 0137. On November 27, 2018, The United States Securities and Exchange Commission published “filing to Form ADV” which amends the disclosure document that we provide to clients and prospective clients as required by SEC Rules.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested free of charge by contacting us at one of the numbers or the website given on the cover of the Brochure.

Additional information about Savyon Investment Management, Inc. is also available via the SEC’s website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with Savyon Investment Management, Inc. who are registered as investment adviser representatives of Savyon Investment Management, Inc.

**This Brochure was last dated November 27,2018. Since that time, there have been changes that may or may not be material to your evaluation of Savyon Investments. These changes include:**

Additional information about Savyon Advisory. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This Form ADV Part 2 advisory services brochure delivers information about the qualifications and business practices of the Savyon Asset Management Advisory, LLC. If you have any questions about the contents of this document, please contact Mr. Lucien Virgelin, Vice President and Chief Compliance Officer, at (786) 201-0137.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about the Savyon Asset Management Advisory, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD number, which is 298256.

If you would like another copy of this Brochure, you can either download it from the SEC website as indicated above or contact us at (786)201 -0137.

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## Item 4 – Advisory Business

### **A. Principal Owners**

### **B. Types of Advisory Services**

Savyon provides investment management services to its clients based on discretionary authority provided to the Firm by clients at the outset of the investment advisory relationship, which is discussed in more detail in Item 16. Clients of the Firm include individuals, families, and businesses; trusts; estates; pension and profit sharing plans; 401(k) plans; endowments and foundations; and three registered no-load mutual funds.

In developing the investment advisory relationship, we define a strategy we believe is best suited to achieve the client's goals through the allocation of assets among various asset classes. Securities within these asset classes may include individual stocks and bonds, mutual funds, and exchange traded funds. In addition, we utilize other types of investments, including but not limited to master limited partnerships, options, exchange-traded notes, REITs, covered call options, private placements, or long/short funds. See Item 8 for additional considerations on these investments.

Savyon also occasionally provides traditional financial planning for clients. Fees for these services vary by client. All financial plans include a report appropriate for the planning performed. The implementation of any recommendations contained in the report are at the discretion of the client. The financial plan may include but is not limited to: cash flow planning (including a statement of net worth), risk management, investment review, tax planning, retirement planning, estate planning, and education planning.

### **C. Individual Needs of Clients**

At Savyon, one of our goals is meeting the needs of our clients by tailoring an appropriate asset allocation and investment strategy to suit their individual objectives. Each account at Savyon is managed by a team of experienced financial professionals and receives a high level of personal service. An Investment Counselor works closely with the client to analyze needs, set objectives, and monitor the relationship. A Portfolio Manager is assigned to develop and

implement investment strategies. The Firm's investment philosophy seeks to achieve positive relative and absolute returns within the context of the client's overall objectives. Investment goals are achieved over time through broad diversification, control of risk, and realization of the benefits of compounding. Although most of our clients seek our discretion in allocation of assets and

investment in different types of assets, we also work diligently with clients who are more exact in their desires for investing in certain securities or types of securities. Additionally, clients may also direct the brokerage of their accounts, but only after a thorough discussion of the potential higher cost of trading at the specified brokerage firm. This potential failure to achieve “best execution” on directed trades is further described in Item 12.

#### ***D. Wrap Fee Programs***

Savyon Investment Management, Inc. does participate in wrap fee programs.

#### ***E. Types of Advisory Services***

Savyon provides investment management services to its clients based on discretionary authority provided to the Firm by clients at the outset of the investment advisory relationship, which is discussed in more detail in Item 16. Clients of the Firm include individuals, families, and businesses; trusts; estates; pension and profit sharing plans; 401(k) plans; endowments and foundations; and three registered no-load mutual funds.

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#### **G. *Assets Under management***

As of November 27, Savyon managed \$0.00 on a discretionary basis and no assets under management on a non-discretionary basis. These assets under management are SAVYON Asset Management Advisory (Savyon) was formed in 2017 in Aventura, Florida and is registered as an Investment Advisor with the state of Washington. The principal owner is Djenane Virgelin and Lucien Virgelin. We have public affiliated companies (Savyon Trust Group, Inc).

Because Savyon Asset Management Advisory, LLC is a new entity, it currently reports no discretionary or non-discretionary Assets Under Management. Types of Advisory Services

#### **Ongoing Asset Management Advisory**

Our mission at Savyon Asset Management Advisory, LLC is to help our clients live their best lives. We currently provide the following services:

#### **1. Social Security Claiming Analysis**

The intent of this service is to maximize a client's Social Security retirement benefits by utilizing any available strategy and to educate the client of the impact of different possible claiming strategies to help them make an informed claiming decision.

We collect information pertaining to a client's current financial situation, their financial and personal goals, work plans, current and prior marital status and the state of their health as these areas have the greatest impact on recommendations for Social Security claiming strategies.

This service includes up to 1.5 hours with the advisor reviewing collected information, creating and providing a report showing claiming options, and reviewing the report with the client.

After completion of this service, it is client's responsibility to implement chosen strategy and follow-up with the Social Security administration to ensure that the strategy was properly implemented.

This service is not considered a comprehensive financial plan.

### **Social Security Filing Assistance**

If a client wishes for personalized assistance in filing for Social Security retirement benefits, we are able to provide live, one-on-one assistance over the internet or by conference call to Social Security. The client will have determined which claiming strategy is best for them and we will assist them with implementation. Client will initiate the call or online process and will remain involved until completion. Client will be responsible for retaining any confirmations of action taken and any follow up communications with Social Security to ensure benefits began as instructed. This service does include an in-person visit to a local office unless specifically arranged with Savyon Asset Management Advisory, LLC.

### **Comprehensive Asset Management Advisory Emphasizing College Funding Planning, Investments and Financial Freedom**

This service is best suited for mature families with college-bound students. Typically, these families are in or entering their peak earning years and require coordinated advice and planning regarding college funding, investing, retirement, taxes, insurance, estate planning, etc.

Clients establish an ongoing relationship with a planner and work together to design their plan. We customize each client's experience to realize their life's goals.

The initial plan creation is a limited term Asset Management Advisory engagement covering the three most commonly requested advice areas – college funding, retirement planning and investment strategy. Clients receive three formal meetings. We spend time discovering what is important to them, design a plan with defined action steps. If client wishes to continue planning with Savyon, we continue our work throughout the year to complete action steps. This service involves 4 established meetings in the initial plan creation phase, up to as many as 6 meeting the first year, and usually 1-3 meetings per year thereafter, with frequent "checking in" phone calls and emails as well. Ongoing review meetings primarily provide accountability for both client and planner. We check on progress towards goals, see that "To Dos" have been completed, discuss behaviors and barriers to success and talk about any new areas of planning that have come up since the last meeting.

Communication between planner and client is paramount to the overall success of any plan, therefore there is no limit to the number of meetings, calls or contact. Clients may request in-person or virtual meetings at any time.

The financial plan may address any or all the areas of Asset Management Advisory listed below. Comprehensive Asset Management Advisory services are offered as a stand-alone service.

By paying for planning on a monthly basis, clients get continuous access to a planner to help implement recommendations, monitor the plan, have regular client meetings, adapt the plan to changing circumstances in the client's life, and ensure the plan is up to date. The invoice will specify the services performed for the monthly fee.

#### Areas of Asset Management Advisory

Financial Freedom Planning and Mini-Retirements, College Savings and Funding Planning, Investments, Net Worth, Cash flow and Debt Management, Employee Benefits Optimization, Estate and Incapacity Planning, Business Planning, Insurance and Risks, Social Security Maximization Planning, Tax Planning, Personal Coaching, Financial Education. (See below for more detail.)

#### **Financial Freedom Planning**

Oftentimes the focus of a Asset Management Advisory firm is on retirement. Our goal at Savyon Asset Management Advisory, LLC is helping our clients live their best lives and achieve financial freedom. Retirement in and of itself may not always be the goal. But through planning and implementation, our clients will arrive at a place where they will have the freedom to choose to work or not work, to change careers, to start a business, to take mini retirements and travel with young families, whatever a client chooses to do.

This will include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. 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 (e.g., working longer, saving more, spending less, taking more risk with investments).

If a client is near retirement or already retired, advice may be given on appropriate distribution and Social Security maximization strategies to minimize the likelihood of running out of money or having to alter spending during your retirement years.

#### **College Funding Planning and Saving for College**

We strive to raise the bar in college funding advice. Our goal is to end the student loan crisis one family at a time by helping them make Savyon college buying decisions, not only saving for but on the cost of college and coordinating a solid, 4-year funding plan. We help families make rational college buying decisions so that their student can graduate on time with no or manageable student loan debt, all without detracting from their parent's life goals. We use the College Pre-Approval™ process to provide a detailed affordability and funding analysis and understand the family budget available for college for all students in a family. This will also enable the student to start down the path of their own successful financial life without the heavy burden of unmanageable student debt. We evaluate financial aid eligibility and tri-generational planning.

### **Investment Analysis**

This involves determining a client's goals, current situation, risk tolerance and then developing an asset allocation strategy, possible investment vehicles, as well as assisting you in establishing your own investment account at a selected custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

### **Net Worth**

We will determine your net worth.

### **Cash Flow and Debt Management**

We will review your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

### **Employee Benefits Optimization**

We will provide review and analysis as to whether you, as an employee, are maximizing your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal financial goals.

### **Estate and Incapacity Planning**

This includes an analysis of your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. We always recommend that you maintain a relationship with a qualified attorney to help you initiate, update, or complete estate planning activities.

### **Business Planning**

We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.

### **Insurance and Risks**

Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile. We'll analyze your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

### **Social Security Maximization Planning**

We collect information pertaining to a client's current financial situation, their financial and personal goals, work plans, marital status and the state of their health as these areas have the greatest impact on recommendations for Social Security claiming strategies.

The intent is to maximize a client's Social Security benefits by utilizing any available strategy and to educate the client of the impact of different possible claiming strategies to help them make a better decision regarding this important part of their retirement income plan.

### **Tax Planning Strategies**

Advice may include ways to minimize current and future income taxes as a part of your overall Asset Management Advisory picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation. We always recommend that you maintain a relationship with a qualified tax professional before initiating any tax planning strategy.

### **Personal Coaching**

Success in our client's personal lives is instrumental to success in their financial lives. We take time to discuss financial behaviors, interpersonal/marital relationships, health, careers, etc and suggest strategies to improve in these areas if needed or desired.

### **Financial Education**

We offer basic financial literacy education to the children of our clients. In our meeting schedule, we include them to the extent the parents and children wish in our college planning process and will discuss financial basics such as saving and investing, credit and debt, cash flow in college and beyond.

#### **4. Investment Advisory Services**

We are in the business of managing individually tailored investment portfolios. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's circumstances are established, we develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

Account supervision is guided by the stated objectives of the client (e.g., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

As a fiduciary, our firm and its associate has a duty of utmost good faith to act solely in the best interests of each client. However, it is difficult to remove all possible conflicts of interests. A conflict may exist between Savyon Asset Management Advisory, LLC and the interests of the client. The client is under no obligation to act upon the advisor's recommendation, and if the client elects to act on any of the recommendations, does have to do so with the assistance of advisor.

Investment Advisor Services are not typically offered as a stand-alone service, rather most often in conjunction with Comprehensive Asset Management Advisory services.

#### **Asset Management Advisory Fixed Fee**

This service provides advice targeted at a specific part of a client's financial life. It is available for clients who do not want or need analysis of their entire financial life (as they would receive with Comprehensive Asset Management Advisory). These targeted sessions may include the same areas of Asset Management Advisory that were mentioned above. The scope of the agreement and fee will be determined before work begins. The following categories are often

covered in our Fixed Fee service: College Funding, Investments, Risk Management, Estate Planning, Tax Planning, Retirement Planning, etc.

## **Retirement Plans**

We provide investment advisory services to the retirement plan sponsor and to participants and trustees of the retirement plan.

Investment services - Investment selection and monitoring, develop Investment Policy Statement, choose investments for the plan, monitor and observe investment expenses, identify Qualified Default Investment Alternatives, assist plan participants in selecting investments,

Administrative service - Support audits, as needed, monitor third party service providers, including recordkeeper and TPA, check recordkeeper services for plan compliance, conduct participant enrollment meetings, conduct participant education sessions, review enrollment and other education materials provided by plan's recordkeeper, serve as liaison between TPA and recordkeeper service providers.

## **Educational Events**

We may provide seminars on an "as announced" basis for groups seeking general knowledge surrounding personal finance or for marketing purposes. The content of these seminars will vary depending upon the needs of the attendees. These seminars are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any individual person's need, nor does Savyon Asset Management Advisory, LLC provide individualized investment advice to attendees during these seminars. Topics may cover Social Security, College Funding, Asset Management Advisory, Saving and Investing, Retirement Readiness and other personal financial topics.

### **Client Tailored Services and Client Imposed Restrictions**

We offer variations of comprehensive planning services to all of our clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

### **Wrap Fee Programs**

We do not participate in wrap fee programs.

## **Item 5 – Fees and Compensation**

### **A. Fee Schedule**

Savyon offers investment advisory services for a percentage of assets under management or a minimum management fee. Fees are negotiated on a case by case basis. Generally, each account is charged quarterly, in advance, based on assets under management up to 1.25%. Depending on the size of the account and the nature of the services provided, an account may be subject to an annual maintenance fee, rather than a fee based on assets under management. Assets held in any of The Government Street Funds are not subject to an asset-based fee.

***B. Payment of Fees***

The exact manner in which fees are charged by Savyon is established in a client's written agreement with Savyon. Generally, Savyon invoices its fees on a quarterly basis, in advance, and clients authorize Savyon to directly debit fees from client custodial accounts. However, clients may elect to be invoiced directly.

***C. Other Fees and Expenses of Advisory Services***

Savyon may charge additional fees and/or out of pocket expenses (excessive travel costs, etc.) for ancillary services not outlined or related to investment management services. For example, with any account over which we are deemed to have custody under the Amended Custody Rule, there is an additional fee to cover the cost of the required surprise audit conducted by an independent accountant and report to be filed with the SEC. Such fee is payable by the client.

Savyon's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses charged by the qualified custodian and incurred by the client. Those fees should be disclosed in the statements sent by the qualified custodian of the account. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund's prospectus. With the exception of the Government Street Funds, such charges, fees and commissions are exclusive of and in addition to Savyon's fee.

Item 12 further describes the factors that Savyon considers in selecting or recommending brokerdealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

***D. When Fees Are Paid or Refunded***

The client's fee schedule is subject to review on an annual basis. Savyon reserves the right to modify the schedule of fees at any time, with 30 days written notice. If a client cancels a contract less than 13 month from the date the first quarterly fee is paid, the client agrees to pay



the remaining amount of the first four quarters' fees as a cancellation fee, determined by the assets under management as of the effective date of cancellation. If a client cancels a contract more than 13 month from date of payment of its first quarterly fee, the fee paid for the quarter during which cancellation occurs will be prorated after 30 days from the effective date of cancellation. Any prorated fee to be refunded of \$100 or greater will be automatically sent to the client. Any prorated fee that is less than \$100 will be refunded at the discretion of the client's Investment Counselor.

#### **E. Government Street Funds**

Savyon Asset Management Advisory. manages three no-load mutual funds, The Government Street Funds, which are a series of Trust Group and are discussed more in-depth in Item 10.C. Savyon receives a fee for the management of these Funds. Under the Investment Advisory Agreements between Savyon and Trust Group, Savyon is entitled to compensation for its management of the Government Street Equity Fund, based on the Fund's daily average net assets at the following rate: on the first \$100 million, 0.60%; on assets over \$100 million, 0.50%. Compensation of Savyon with regard to the Florida Tax-Free Bond Fund, based upon the Fund's daily average net assets, is at the following rates: on the first \$100 million, 0.35%; on assets over \$100 million, 0.25%. Compensation of Savyon with regard to the Government Street Mid-Cap Fund, based upon the Fund's daily average net assets, is at the annual rate of 0.75%. Savyon employees' first and foremost duty as a fiduciary is to the client's objectives, which is taken into consideration before recommending The Government Street Funds. Therefore, Savyon will only invest in these Funds when it is in the client's best interest. Savyon employees disclose this potential conflict of interest with clients and allow the client to opt out of investing in the Funds at the inception of the relationship. Savyon does not accept an asset-based fee from advisory clients on any client assets held in the Funds.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Savyon does not accept any performance-based fees (that is, fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7 – Types of Clients**

Savyon provides customized investment management services to individuals, families, and businesses; trusts; estates; pension and profit sharing plans; 401(k) plans; endowments and foundations; and three registered no-load mutual funds. There is no minimum asset size requirement for opening or maintaining an account with Savyon. However, there is a minimum \$5,000 annual fee per relationship, although this minimum fee can be waived on a case-by-case basis.

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

Investing in securities involves risk of loss that clients should be prepared to bear. The investment philosophy of Savyon seeks to achieve positive relative and absolute investment returns. Investment goals are achieved over time through broad diversification, control of risk and realization of the benefits of compounding.

Building and managing portfolios to meet the objectives of individual clients encompasses a multitude of factors. Before beginning this process, however, Savyon assists the client in establishing realistic investment goals. Consideration is given to such factors as income requirements, liquidity needs, capital growth objectives, tax considerations, levels of risk tolerance, and investment time horizons.

Next, a strategy is defined to achieve those goals through the allocation of assets among various asset classes. Securities within these asset classes may include individual stocks and bonds, mutual funds, and exchange-traded funds. In addition, other types of investments are utilized, such as Savyon Asset Management Advisories, options, exchange-traded notes, REITs, covered call options, private placements, or long/short funds. See Item 8.C for information on risks associated with the types of securities in which Savyon clients are typically invested.

### **A. *Method of Analysis***

Savyon's primary method of analysis is fundamental. The main sources of information include Morningstar reports, fund prospectuses, S&P reports, Valueline reports, financial newspapers and magazines, research materials prepared by others, filings with the Securities and Exchange Commission, and annual reports. Employees of Savyon also, on occasion, visit with fund and portfolio managers, attend conference calls, and attend industry conferences.

### **B. *Investment Strategies***

#### **1. Equity Management**

Savyon's investment philosophy for equity management seeks to achieve long term capital growth while focusing on the control of risk in the portfolio. Equities have historically provided superior long-term returns to other financial asset classes. Savyon attempts to capture these returns through the construction of a broadly diversified portfolio of high quality stocks, mutual funds and/or exchange-traded funds ("ETFs"). Because of volatility in the stock market, the importance of having a long-term perspective when investing in equities is emphasized.

Depending upon the size of the account, equity management asset allocation is begun with a mixture of investments in individual securities, mutual funds and/or exchange-traded funds. Savyon seeks further strategic asset allocation through investments in a variety of capitalization ranges (such as Savyon capitalization (“cap”), or mid cap), sector variations (such as real estate investment trusts or other alternative investments), and global diversification through international investments in developed and emerging market equity securities.

The Firm employs a list of mutual funds, ETFs, and other investments that have been screened by the portfolio managers. Select portfolio managers are responsible for different segments of the market (e.g. large cap, mid cap, Savyon cap, international and alternative). The investments are evaluated periodically and replaced when appropriate. A portfolio is constructed using these investments based on the return objectives and risk preferences of the client. To maintain the quality and diversification that is desired, the portfolio is periodically evaluated and re-balanced.

Savyon does not engage in “market timing” as related to the significant movement of assets into and out of the stock market. To the extent practicable and in accordance with the liquidity objectives of the client, the portfolio generally remains fully invested.

## **2. Fixed Income Management**

Savyon’s fixed income philosophy is designed to protect principal through management of risk and to provide a steady, reliable source of income for the client. Savyon builds quality bond portfolios with a short-to-intermediate term average life. This philosophy is consistent with the Firm’s emphasis on risk control and income generation within a fixed income portfolio.

The Firm often employs mutual funds and ETFs to add diversification to client fixed income portfolios. Their use is typically dictated by account size or other considerations. Portfolios can include international and emerging market, as well as domestic funds and ETFs. The risk profile of each of these funds and ETFs will vary according to the credit quality of the individual bonds held within them.

When Savyon employs individual bonds in a client portfolio, the Firm seeks to ladder maturities over a period of years to achieve a desired average life for the portfolio. The range of the laddered portfolio will depend upon the outlook for interest rates, the current market environment, and the risk tolerance of the client. This strategy reduces the volatility of the portfolio and reduces the risk of missing reinvestment opportunities in periods of rising interest rates. This strategy also provides a way to adjust the average life of the portfolio without having to liquidate securities.

Portfolio turnover is kept to a minimum. Low portfolio turnover minimizes trading expenses which can have a significant impact upon the total return of the portfolio. Absent some compelling reason (i.e. changes in credit quality or interest rate environments), fixed income securities are generally held to maturity.

Portfolios of taxable securities may include obligations of the U. S. Treasury, U.S. Government Agencies, corporate securities with a rating at time of purchase of A or better, and other fixed income securities. The portion of the portfolio invested in corporate securities is diversified among different economic sectors and industries. Where appropriate, the Firm will utilize securities exempt from either federal or state income taxes, or both. The tax-exempt securities will include bonds with ratings of A or better at time of purchase and will be diversified among different issuers.

### **C. *Risk of Loss***

All investment programs carry the risk of loss and there is no guarantee that any investment strategy will meet its objective. Our investment approach constantly keeps the risk of loss in mind. Depending on the types of securities held in a portfolio, a client may face the following risks:

**Stock Market Risk.** The value of an investment will fluctuate in response to stock market movements. Stocks and other equity securities are subject to inherent market risks and fluctuations in value due to earnings and other developments affecting a particular company or industry, stock market trends, general economic conditions, investor perceptions, interest rate changes and other factors beyond the control of Savon. Stocks tend to move in cycles and may experience periods of turbulence and instability. 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.

**Large Capitalization Risk.** Larger capitalization companies may be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes, and may not be able to attain the high growth rate of successful Savon er companies, especially during extended periods of economic expansion.

**Mid- and Savyon -Capitalization Risk.** Mid- and Savyon -capitalization companies often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strengths of larger companies. In addition, certain securities of mid- and Savyon -capitalization companies may be traded only over-the-counter or on a

regional securities exchange, and the frequency and volume of their trading is substantially less than is typical of larger companies. Therefore, the securities of mid- and Savyon -capitalization companies may be subject to greater price fluctuations.

**Mutual Fund Risk.** An investment in a mutual fund generally presents the same primary risks as an investment in a conventional investment company, including the risk that the general level of security prices owned by the mutual fund may decline, thereby affecting the value of the shares of the mutual fund. In addition, mutual funds are subject to other risks including the risk of additional fees and expenses for managing the fund; excessive churning of investments in the fund may increase the capital gains distributed to the shareholder and decrease the rate of return; and, depending on the timing of the investment, investors may also have to pay taxes on capital gains distributions they receive for changes in investments in the months prior to their purchase.

**Exchange-Traded Fund (“ETF”) Risk.** An investment in an ETF generally presents the same primary risks as an investment in a mutual fund, including the risk that the general level of security prices owned by the ETF may decline, thereby affecting the value of the shares of the ETF. In addition, ETFs are subject to other risks including the risk that the market price of an ETF’s shares may trade at a discount to its net asset value, or that an active trading market for an ETF’s shares may not be developed or maintained. ETFs are also subject to the risks of the underlying securities or sectors that the ETF is designed to track.

**Exchange-Traded Note (“ETN”) Risk.** An ETN is a senior, unsecured, unsubordinated debt security issued by an underwriting bank. An ETN’s primary objective is to offer investors a return that tracks a particular market index. Similar to other debt securities, the credit of the issuer is the only backing for ETNs. Although performance contractually ties to whatever index the ETN is intended to track, ETNs do not have any assets, other than a claim against their issuer for payment according to the terms of the contract. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETNs trade throughout the day on an exchange. ETNs, as debt instruments, are subject to the risk of default by the issuing bank as counterparty. This is the major design difference between ETFs and ETNs: ETFs are only subject to market risk, whereas ETNs are subject to both market risk and the risk of default by the issuing bank.

**Savyon Asset Management Advisory (“SAVYON”) Risk.** SAVYONs are often marketed as investments that combine the tax benefits of limited Liabilities with the liquidity of publicly traded securities. An investment in SAVYON units, however, involves risks that differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of SAVYON units have the rights typically afforded to a limited Liabilities. As compared to common shareholders of a corporation, holders of SAVYON units have more limited control and

limited rights to vote on matters affecting the Liabilities. Further, there are certain tax risks associated with an investment in SAVYON units, as SAVYON units are treated differently for tax purposes than common stock. Clients are advised to speak with their accountant to receive tax advice about SAVYONs.

**Foreign Securities Risk.** American Depositary Receipts (“ADRs”—negotiable certificates issued by a U.S. bank representing a specified number of shares in a foreign stock that is traded on a U.S. exchange), mutual funds, and ETFs investing in foreign securities are subject to risks similar to those associated with direct investments in foreign securities. Investment in foreign securities involves risks that may be different from those of U.S. securities. Foreign securities may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the United States. Foreign securities are also subject to the risk of adverse changes in investment or exchange control regulations, expropriation or confiscatory taxation, limitations on the removal of money or other assets, political or social instability, and nationalization of companies or industries. An additional risk is that overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment’s originating country.

**Emerging Markets Risk.** The risks of overseas investing are of greater concern in the case of investments in emerging markets. Emerging market nations may have economic structures that are generally less diverse and mature than the economies of developed nations and may have less stable governments that are subject to sudden change. The markets of developing nations may have more frequent and larger price changes than those of developed nations.

**Commodities Market Risk.** Investing in instruments whose performance is linked to the price of an underlying commodity or commodity index exposes the client to the risks of investing in physical commodities. These risks include, but are not limited to, regulatory, economic, monetary and political developments, weather events and natural disasters, import controls and worldwide competition, exploration and production spending, tax and other governmental regulations and market disruptions. Commodity prices may be subject to greater volatility than investments in traditional securities.

**Interest Rate Risk.** Fluctuations in interest rates may cause bond prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive generally, causing their market values to decline.

**Inflation Risk.** When inflation is present, the purchasing power of a dollar is eroding at the rate of inflation making a dollar received in the future worth less than the value of a dollar today.

**Municipal Securities Risk.** The return on and value of an investment in municipal securities will fluctuate with changes in interest rates or changes in the creditworthiness of an individual issuer. Generally, when interest rates rise, the value of municipal securities can be expected to decline. Securities with longer maturities generally are more sensitive to interest rate changes than shorter-term securities. The value of municipal securities is also dependent on the creditworthiness of an issuer. A deterioration in the financial condition of an issuer, or a deterioration in general economic conditions, could cause an issuer to fail to pay its principal or interest when due.

**Risks Associated with Credit Ratings.** A rating by a Nationally Recognized Statistical Ratings Organization (“NRSRO”) represents the agency’s opinion as to credit quality of a security but is not an absolute standard of quality or guarantee as to the creditworthiness of an issuer. Ratings of NRSROs present an inherent conflict of interest because such agencies are paid by the entities whose securities they rate. The credit rating of a security does not necessarily address its market risk (that is, the risk that the value of a security will be adversely affected due to movements in the overall financial markets or changes in the level of interest rates). In addition, a rating may not be revised promptly to reflect developments in the issuer’s financial condition.

**Liquidity Risk.** Investing in an illiquid (difficult to trade) security may restrict its ability to dispose of investments in a timely fashion or at an advantageous price, which may limit the ability to take full advantage of market opportunities. For example, the secondary market for certain municipal obligations tends to be less well developed or liquid than many other securities markets which may impact the client’s ability to sell these securities at or near their perceived value.

**Credit Risk.** There is a risk that issuers and counterparties will not make payments on the securities they issue. In addition, the credit quality of securities may be lowered if an issuer’s financial condition changes. Lower credit quality may lead to greater volatility in the price of a security which may affect liquidity and our ability to sell the security.

**Call Risk.** There is a risk that during periods of falling interest rates, the issuer of a bond will repay—or call—securities with higher coupons, or interest rates, before their maturity dates. Forced to reinvest the unanticipated proceeds at lower interest rates, the portfolio would experience a decline in income and lose the opportunity for additional price appreciation associated with falling interest rates. Some corporate bonds and municipal debt issues have sinking fund provisions which require the issuer to periodically retire a predetermined number of bonds which act like call provisions. Some corporate bonds have a “make-whole” call provision, which allows the issuer to redeem the outstanding bonds prior to maturity at a price determined by a formula described in the prospectus.

**Real Estate Risk.** Real Estate Investment Trusts (“REITs”), although not a direct investment in real estate, are subject to the risks associated with investing in real estate. The value of these securities will rise and fall in response to many factors including economic conditions, the demand for rental property and changes in interest rates.

**Management Risk.** Our judgment about the attractiveness, value and potential appreciation of a particular asset class or individual security may be incorrect and there is no guarantee that individual securities will perform as anticipated.

**Regulatory Risk.** The value of investment securities can fluctuate when there are unanticipated changes in government regulation. This risk includes, for example, changes in tax laws and industry exact regulations.

**Other risks.** Option strategies, private placements, long/short funds and Savyon Asset Management Advisorys are very exact per client and pose additional risks that can be discussed on an individual basis with any client where Savyon is considering the use of these investment vehicles.

SAVYON is an investment management firm, registered as an investment adviser with the SEC since 1993, that provides investment management and investment advisory services complete independent investment advisors (“Advisor(s)”) for use with Advisors’ clients (each a “Client”). SAVYON also serves institutional clients such as pension or profit-sharing plans, trusts, estates, and corporations

SAVYON is a wholly owned subsidiary of its parent company Savyon Asset Management Advisory LLC. (NYSE: ), a publicly held company.

SAVYON offers investment and operational support services to financial intermediaries carrying the Plans described below. These services are funded complete fees charged to the Client and include: portfolio and account management, control and reporting software, accounting and performance reporting services as well as customized illustrations, brochures and promotional literature. SAVYON also provides, complete its affiliate Savyon Asset Management Advisory LLC Asset Management, Inc. (“Savon”), a registered investment adviser and asset management platform provider, technology, operational and administrative support services to SAVYON’s advisory program accounts. SAVYON may assist SAVYON and Advisors with a variety of account processing and maintenance duties, including Client account initiation and set up, Client account trading and processing, billing services, custodial reconciliation, and the computation and preparation of Client reports.



SAVYON provides Advisors with an extensive range of investment sub-advisory services for use by Advisors with their Clients complete its Private Wealth Management Plans, including Separately Managed Accounts (“SAVYON”), Active Passive Portfolios, SAVYON Asset Management Advisory (“SAVYON”), SAVYON Strategic ETF Solutions, Unified Managed Account (“UMA”), SAVYON Multi Manager Account (“ ”)(formerly referred to as the SAVYON Guided Portfolios) program, SAVYON Select Portfolios and SAVYON Select Dynamic Portfolios™, SAVYON Liquid Endowment Portfolios, Paradigm Liquid Alternatives, Ascent Portfolios, SAVYON Market Series Quantitative Portfolios™, SAVYON Factor-Enhanced Quantitative Portfolios™, SAVYON Impact Quantitative Portfolios™, , and Third-Party Fund Strategists (together, the “Plans” and individually a “Program”). In addition to Paradigm Liquid Alternatives, and Ascent Portfolios, , investment strategies that are prefaced with “SAVYON ” or “Sigma” designate that the investment strategy is a proprietary strategy of SAVYON or its affiliated investment adviser SAVYON, as opposed to the many third-party investment strategies that we also make available in the SAVYON, UMA and Third-Party Fund Strategists Plans.

The Plans generally are made available by SAVYON complete each Client’s independent Advisor, and in certain limited instances, directly to the Client. In addition to the SAVYON sub-advisory services offered in the Plans, SAVYON also offers Advisors many advisory service tools, whereby SAVYON provides only administrative and technology services and investment research and due diligence. A Client’s Advisor determines which services and Plans of SAVYON to utilize with its Clients and may utilize the services of other third-party services providers in conjunction with the Plans; Clients should therefore consult their Advisor’s Form ADV Part 2 for a fuller description of that Advisor’s specific use of SAVYON, SAVYON and the Plans. The selection of services offered to our Advisory clients by SAVYON include:

- Assessment assistance of the Client’s investment needs and objectives
- Investment policy planning assistance
- Assistance in development of an asset allocation strategy designed to meet the Client’s objectives
- Recommendations on suitable style allocations
- Identification of appropriate managers and investment vehicles suitable to the Client’s goals
- Evaluation of asset managers and investment vehicles meeting style and allocation criteria
- Engagement of selected asset managers and investment vehicles on behalf of the Client
- Ongoing monitoring of individual asset manager’s performance and management for “Approved” investment strategies (See Item 8)
- Automated tools that assist in the review of Client accounts to ensure adherence to policy guidelines and asset allocation
- Recommendations for account rebalancing, if necessary
- Online reporting of Client account’s performance and progress

Fully integrated back office support systems to advisors, including interfacing with Client's custodian, trade order placement, and confirmation and statement generation. Access to third party platforms and strategies complete the ENV Platform.

### *The Plans*

For all Plans, Client and Advisor compile pertinent financial and demographic information to develop an investment program that will meet the Client's goals and objectives. Utilizing the SAVYON platform tools, Advisor will allocate the Client's assets among the different options in the Program and determine the suitability of the asset allocation and investment options for each Client, based on the Client's needs and objectives, investment time horizon, risk tolerance and any other pertinent factors. SAVYON' research Savyon uses a number of proprietary analytical tools and commercially available optimization software applications in developing its asset allocation strategies. Among the factors considered in designing these strategies are historical rates of risk and return for various asset classes, correlation across asset classes and risk premiums. For all Plans, Client directly owns the underlying securities, mutual funds or exchange traded funds ("ETFs") in each of the Program's investment strategies. Mutual funds, ETFs, closed-end funds, unit investment trusts and real estate investment trusts exchange traded funds are collectively referred to complete out this document generally as a "Fund" or "Funds."

For Clients selecting the SAVYON program, the Client is offered access to an actively managed investment portfolio chosen from a roster of independent asset managers (each a "Sub-Manager") from a variety of disciplines. Unlike a mutual fund, where the funds are commingled, a separately managed account is a portfolio of individually owned securities that can be tailored to fit the Client's investing preferences. SAVYON will assist Advisor in identifying individual asset managers and investment vehicles that correspond to the proposed asset classes and styles or Advisor may independently identify asset managers. SAVYON retains the Sub-Managers for portfolio management services in connection with the SAVYON program complete separate agreements entered into between SAVYON and the Sub-Manager on terms and conditions that SAVYON deems appropriate. For certain Sub-Managers, SAVYON has entered into a licensing agreement with the Sub-Manager, whereby SAVYON performs administrative and/or trade order implementation duties pursuant to the direction of the Sub-Manager. In such situation, the Sub-Manager is acting in the role of a Model Provider (as defined below).

Clients may also select individual Funds complete the SAVYON program.

In the Active Passive Portfolios program, SAVYON provides discretionary investment advisory services under which SAVYON chooses mutual fund investments for Clients consisting of a

series of third party index mutual funds as well as one or more actively managed funds from the SAVYON Fund family. Under the Active Passive Portfolios program, SAVYON has discretionary authority to direct investment of the monies contributed by the Client. Such discretionary authority includes the discretion to adjust asset allocations to the Active Passive Portfolios, and to replace or reduce allocations to specific mutual funds without prior consultation with the Client. SAVYON periodically monitors client portfolios and when deemed appropriate makes changes in both asset allocations as well as specific mutual fund selections. Neither SAVYON nor SAVYON maintains custody of the individual funds or other assets owned by each Client. Clients are themselves the registered owners of the mutual funds which are held by a registered broker-dealer and/or qualified custodian on each Client's behalf. The SAVYON Funds are a proprietary fund family of SAVYON, and as the investment advisor to the SAVYON Funds, SAVYON receives a management fee based on assets invested in the SAVYON Funds. SAVYON does not separately charge a fee for its management of assets invested in the SAVYON Funds complete the Active Passive Portfolios but may charge a management fee for assets invested in third-party Funds.

For Clients selecting a mutual fund or ETF asset allocation strategy, SAVYON manages mutual fund asset allocations based on SAVYON's recommended investment strategy (each a "SAVYON Strategy"). The SAVYON Strategies are fully discretionary, mutual fund and/or ETF asset allocation Plans offering a series of model portfolios positioned at various points along the risk/return spectrum that correspond to the individual Client's goals and objectives. Once the Client's assets are invested, SAVYON may add, remove or replace mutual funds at its discretion. The SAVYON program, Ascent Portfolios and SAVYON Strategic ETF Solutions are also a part of the SAVYON Strategies. Certain Advisors may re-brand a SAVYON Strategy and label the investment strategy according to that Advisor's design, as further described in the Advisor's Form ADV Part 2A. The Ascent Portfolios are managed by Savyon Asset Management Advisory LLC with sub-advisory services currently provided by First Ascent Asset Management.

For Clients selecting the SAVYON Select Portfolios, SAVYON utilizes its proprietary mutual fund family, the SAVYON Funds, for the appropriate investments based on the Client's corresponding investment objectives and risk profile. Where appropriate, SAVYON may also utilize non-proprietary mutual funds in the SAVYON Select Portfolios. Savyon is responsible for developing, constructing and monitoring the asset allocation and strategy for each portfolio. SAVYON serves as the investment advisor of the SAVYON Funds and actively manages a portion of the SAVYON Funds, and also acts in a "manager of managers" role by selecting and overseeing multiple sub-advisors to the funds who manage distinct segments of a market, asset class or investment style.

The SAVYON Select Dynamic Portfolios are centered on the strategic allocations of the SAVYON Funds used by the SAVYON Select Portfolios, as described above, but also allow for underweighting or overweighting between the SAVYON Funds for each portfolio.

For Clients using the UMA program, the Client is offered a single portfolio that accesses multiple asset managers and Funds, representing various asset classes, that is customized by the Client's financial advisor. Utilizing the SAVYON tools, Advisor customizes the asset allocation models for a particular Client or chooses SAVYON's proposed asset allocations for types of investors fitting Client's profile and investment goals. The Advisor then further customizes the portfolio by selecting the specific, underlying investment strategies or Funds in the portfolio to meet the Client's needs. Once the Advisor has established the content of the portfolio, SAVYON provides overlay management services for UMA accounts and implements trade orders based on the directions of the investment strategies contained in the UMA portfolio.

Client's Advisor may also offer a version of the UMA, whereby Advisor does not exercise investment discretion in the selection of the asset allocation or the specific, underlying investment vehicles and investment strategies used in each sleeve of the UMA portfolio (a "Client-Directed UMA"). In the Client-Directed UMA, the Advisor will provide Client with recommendations regarding the appropriate asset allocation and the underlying investment vehicles or investment strategies to meet the Client's objectives, but the Client is directing the investments and changes made to Client's UMA portfolio and is ultimately responsible for the selection of the appropriate asset allocation and the underlying investment vehicles or investment strategies. As described above, SAVYON provides overlay management services for UMA accounts and implements trade orders based on the directions of the investment strategies contained in the UMA portfolio.

For Clients in the SAVYON Multi Manager Account (" ")(formerly referred to as the SAVYON Guided Portfolios program), the Client is offered a single portfolio created and managed by SAVYON that accesses multiple asset managers and Funds representing various asset classes. SAVYON allocates the portfolio across investment asset classes and complementary asset managers to create a blend that fits the Client's investment profile and risk tolerance. SAVYON includes Funds in the SAVYON program to complete the asset class exposure of the asset managers utilized. Because Savyon Asset Management Advisory LLC pays Model Providers out of its portfolio management fee when it utilizes these strategies in a Savyon Asset Management Advisory LLC has an economic incentive to use Funds in the SAVYON program. For portions of some of the SAVYON may also utilize proprietary strategies such as Paradigm Liquid Alternatives portfolios, SAVYON Quantitative Portfolios™ or a SAVYON Fund (see more on use of SAVYON Funds in program below).

A portion of the assets that make up the SAVYON program may be invested in the SAVYON Funds, where appropriate, in conjunction with using multiple asset managers and other Funds that comprise the SAVYON . Since SAVYON serves as the investment advisor to the SAVYON Funds, the amount that SAVYON receives with respect to SAVYON program assets that are invested in the SAVYON Funds may be greater than just the portion of the SAVYON program fee remitted to SAVYON. In order to address the economic incentive that SAVYON may have in investing SAVYON program assets in SAVYON Funds, when SAVYON Funds are utilized in a SAVYON , SAVYON makes a corresponding fee reduction to the fee that SAVYON normally charges for managing the SAVYON in order to offset the fees it receives as a result of those SAVYON assets being invested in the SAVYON Funds. SAVYON may still recognize ancillary benefits in investing SAVYON assets in SAVYON Funds.

The SAVYON Liquid Endowment Portfolios are a new series of SAVYON s that, depending on the assets in the account, may include mutual funds, ETFs, Third Party Fund Strategists and SAVYONs. SAVYON chooses the different asset allocations, investment strategies and Funds for each of the Liquid Endowment Models. The models managed for the Savyon asset accounts may only consist of mutual funds and ETFs while models for larger asset accounts may include; mutual funds, ETFs, Third Party Fund Strategists and SAVYONs.

For Clients using Paradigm Liquid Alternatives, the Client is offered a portfolio designed to provide the characteristics of alternative investments in the form of a portfolio of registered Funds. The portfolios are predicated on the belief that an investor's allocation to alternative investments is influenced by the overall risk level of the strategic portfolio. The risk-based portfolios have been optimized for an allocation sleeve of 10% to 30% of the overall portfolio. This sleeve has been designed to be funded proportionally from all asset classes used in the strategic portfolio.

The SAVYON Market Series of Quantifiable Portfolios provide investors with several primary attributes, including: 1) cost-efficient exposure to beta; 2) the opportunity to capture "tax management alpha"; and 3) the ability to customize the portfolio. QPs are shaped using a systematic process that balances a desired tracking error to the underlying index, a target account investment minimum and a low number of holdings. Once the specifications are established, the portfolios are built quantitatively using a risk factor model. The portfolio management Savyon reviews the QPs' portfolio characteristics to ensure conformance with the tracking index, but since QPs are quantitatively shaped, active stock selection is not part of the process.

The SAVYON Factor-Enhanced Series of Quantitative Portfolios™ is shaped using a systematic process that balances enhanced exposures to the momentum and value factors; a desired tracking error to the underlying index; a target investment minimum; liquidity requirements;

and a low number of holdings. Once the specifications are established, the portfolios are built quantitatively using a risk factor model. The portfolios are rebalanced semi-annually on prescheduled dates, according to the same objective and systematic approach.

The SAVYON Impact Series of Quantitative Portfolios™ is shaped using a systematic process based in part on inputs provided by the third-party research firms. The construction process blends several different objectives, including a high overall “sustainability” score (i.e., attractive scores on various environmental, social and governance metrics); a desired low tracking error to the underlying index; a target investment minimum; liquidity requirements; and a low number of holdings. Once the specifications are established, the portfolios are built using a risk factor model. The portfolios are rebalanced annually on pre-scheduled dates, according to the same objective and systematic approach.

The Laddered Bond ETF Series of the Quantitative Portfolios™ is shaped to provide current income from a portfolio of corporate, high yield, or municipal bond fixed income ETFs of staggered maturities that will typically be held to maturity, or close thereto. Savyon Asset Management Advisory LLC’s Quantitative Research Group (SAVYON ) will invest the model by purchasing fixed income ETFs with differing maturities across the specified strategy maturity range of the particular solution. As ETFs mature, SAVYON will use the proceeds to purchase the ETF with the next longest maturity that is not currently held in the model and that is within the strategy maturity range. Each of the ETFs comprising the Quantitative portfolio strategy is well diversified and Since the QPs are passively shaped and use a combination of ETFs, qualitative analysis of individual bonds in the underlying ETF selected is not part of the process.

SAVYON also makes available asset allocation strategies of a variety of mutual fund and ETF asset managers in the Third-Party Fund Strategists program. Each portfolio may consist solely of mutual funds or ETFs or may combine both types of funds to pursue different investment strategies and asset class exposures. Pursuant to a licensing agreement entered into with the asset manager, SAVYON provides overlay management of the portfolios and performs administrative and trade order implementation duties pursuant to the direction of the asset manager.

### *Third Party Models and Model Providers*

Many of the asset managers in the SAVYON Program and the Third-Party Fund Strategist Program described above are accessed complete the use of investment models (“Third Party Models”), whereby the asset manager, acting as a “Model Provider,” constructs an asset allocation and chooses the underlying investments for each portfolio. SAVYON performs overlay management of the Third-Party Models by implementing trade orders, periodically updating and rebalancing each Third-Party Model pursuant to the direction of the Model

Provider. SAVYON may, from time to time, replace existing Model Providers or hire others to create Third Party Models and cannot guarantee the continued availability of Third Party Models created by particular Model Providers.

In managing the Third-Party Models, certain Model Providers may pursue an investment strategy that utilizes underlying mutual funds or exchange traded funds advised by the Model Provider or its affiliate(s) ("Proprietary Funds"). In such situations, the Model Provider or its affiliate(s) may receive fees from the Proprietary Funds for serving as investment advisor or other service provider to the Proprietary Fund (as detailed in the Proprietary Fund's prospectus). These fees will be in addition to the management fees that a Model Provider receives for its ongoing management of the Third-Party Models and creates a financial incentive for the Model Provider to utilize Proprietary Funds. Clients should discuss any questions with or request further information from their Advisor concerning the use of Proprietary Funds in Third Party Models or the conflict of interest this creates.

#### *Portfolio Overlay*

SAVYON also provides Third Party Model overlay services. The tax overlay and management services seek to consider tax implications that may detract from the Client's after-tax returns. The Socially Responsible Investing overlay screens integrate Environmental, Social and Governance (ESG) factors into the Client's investments.

#### *Tax-Overlay Management Services*

If selected by the Client's Advisor, Savyon Asset Management Advisory LLC will also provide tax overlay management services to an account or sleeve. Often, these accounts will also receive overlay portfolio management services as described above. The end goal of tax overlay management services is to improve the after-tax return for the client while staying as consistent as possible with the risk/return characteristics provided by the model portfolios. Tax overlay management services are available only to U.S. clients, though Savyon Asset Management Advisory LLC may provide similar services for non-U.S. clients upon agreement with a program's sponsor. Savyon Asset Management Advisory LLC does not provide general tax planning advice or services.

The typical additional fee for overlay management is ten (10) basis points annually which is applied to the whole account. In addition, Savyon Asset Management Advisory LLC generally receives an additional sleeve-level fee of ten (10) basis points on the assets managed within the sleeve in addition to Savyon Asset Management Advisory LLC's overlay management fees. The Advisor generally establishes account fees for their Plans and in some cases may negotiate fees with certain Clients. Savyon Asset Management Advisory LLC does not control and may not



be aware of the entire fee paid by Clients for overlay management. Savyon Asset Management Advisory LLC overlay management services may be available at a lower overall cost in some of these Plans compared to other Plans. In addition, lower fees for comparable services may be available from other sources.

### *Mutual Funds*

SAVYON's affiliate, SAVYON, serves as the investment adviser to the SAVYON Funds, consisting of the SAVYON Core Fixed Income Fund and the SAVYON Diversified Equity Fund (information available at [www.invest Savyon .com](http://www.invest Savyon .com)).

### *Account Customization and Investment Restrictions*

The discretionary Plans defined above are intended to comply with Rule 3a-4 under the Investment Company Act of 1940. Each Client's account is managed on the basis of the Client's financial situation and stated investment objectives, in accordance with the Client's reasonable investment restrictions imposed by Client on the management of the assets in the account. In addition, Clients will be contacted at least annually by their Advisor, and notified quarterly to contact Advisor, in order to confirm whether there have been any changes to the Client's financial situation, investment objectives or if Client would like to impose or modify investment restrictions on the account.

### *Wrap Fee Plans*

Advisors may offer the Program as a "wrap fee program" to Clients as described in Advisor's Appendix 1 of its Form ADV Part 2A. SAVYON also offers the Plans as a "wrap fee program" and provides portfolio management services. SAVYON manages the wrap fee Plans in the same manner as described in this document and receives fees for its portfolio management services as described in Appendix 1 of its Form ADV Part 2A.

## **Item 5 – Fees and Compensation**

Clients in the Plans pay a program fee (each, a "Program Fee") to SAVYON from which SAVYON, either directly or complete SAVYON, pays the Sub-Managers, Model Providers and the account administration fee. As described below, certain Advisors may not use Savyon Asset Management Advisory LLC for their billing services, in which case, Savyon Asset Management Advisory LLC is paid by invoicing the Advisor instead of debiting Client's account. Depending on the services utilized by the Advisor, the Program Fee also includes investment management services comprised of client profiling assistance, strategic asset allocation assistance, style allocation assistance, research and evaluation of Approved investment



strategies and Funds, account performance calculations, account rebalancing, account reporting, account billing administration and other operational and administrative services. However, Clients whose Advisors perform or utilize a third-party to perform certain of these services listed above pay a lower Program Fee.

As one of its services, SAVYON performs account billing administration, whereby SAVYON, acting as billing service provider deducts the Program Fee, fees charged by Advisor and the custodian fee from the Client's account and pays the applicable parties. However, as agreed upon with Client, Advisor and custodians may choose to independently deduct fees from the Client's accounts. The Advisory fees may be collected by SAVYON but are paid directly to the Advisor. On average, the fee charged by Advisor will range from approximately 0.80% to 1.10%; however, Clients should separately refer to Advisor's Form ADV Part 2A and fee schedule in the client agreement with Advisor for a description of Advisor's fees for Client's particular account(s).

Certain fees are not included in the Program Fee shown below; the most significant of which is the fee charged by the Advisor. Even if Client is utilizing custodial asset-based pricing, certain fees charged by a broker or custodian may also be assessed (described more fully below in "Other Issues Relating to Fees"). The Program Fees shown below include assumed brokerage, clearing and custody fees based on a percentage of Client's assets held in the Program, but do not include assumed fees charged by the Advisor. Clients will generally pay an asset-based fee for the brokerage/custody/clearing services provided by the broker/custodian (as opposed to transaction-based fees such as commissions). For certain custodial relationships, SAVYON is able to present the asset-based fee as part of the Client's fee schedule in the client agreement. To the extent that such fees are not included in the fee schedule, the Client will be so informed in writing. Clients, complete coordination with their Advisor, may utilize transaction-based pricing for clearing and custody services. In that case, those fees will be disclosed separately to the Client in the applicable custodian's clearing and custodial paperwork.

The standard fee schedules for SAVYON' Plans are as follows, but lower fees may be separately negotiated by the Advisor:

#### SAVYON Portfolios

Amount	Equity/ Balanced SAVYON Portfolios*	Fixed Income SAVYON Portfolios*	Funds	SAVYON Liquid Alternatives	SAVYON Quantitative Portfolios™

First \$250,000	0.50%-1.81%	0.50%-1.50%	0.27%-0.69%	0.45%-0.75%	0.05%-0.55%
Next \$250,000	0.50%-1.56%	0.50%-1.31%	0.27%-0.50%	0.45%-0.63%	0.05%-0.55%
Next \$500,000	0.50%-1.50%	0.50%-1.25%	0.25%-0.41%	0.45%-0.63%	0.05%-0.55%
Next \$1,000,000	0.50%-1.36%	0.50%-1.21%	0.23%-0.38%	0.45%-0.63%	0.05%-0.55%
Next \$3,000,000	0.50%-1.26%	0.50%-1.20%	0.23%-0.36%	0.45%-0.63%	0.05%-0.55%
Over \$5,000,000	0.50%-1.26%	0.50%-1.20%	0.23%-0.35%	0.45%-0.63%	0.05%-0.55%

\* The fee charged depends on the manager(s) selected. Fees are calculated on a per account basis. Mutual funds, ETFs and alternative investments charge their own fees for investing the pool of assets in the respective investment vehicle. Please see the prospectus or related disclosure document for information regarding these fees.

\*\* SAVYON or its affiliates do not typically receive 12b-1 fees from mutual funds in which Clients invest. Any fees inadvertently received shall be returned to the fund company.

#### Asset Allocation Plans

Amount	Foundation Portfolios	SAVYON	SAVYON Strategic ETF Solutions	Third Party Fund Strategist
First \$250,000	0.10% - 0.25%	0.20%-0.81%	0.10%-1.00%	0.19%-0.94%
Next \$250,000	0.10% - 0.25%	0.20%-0.63%	0.10%-0.81%	0.19%-0.75%
Next \$500,000	0.10% - 0.25%	0.20%-0.56%	0.10%-0.76%	0.19%-0.66%
Next \$1,000,000	0.10% - 0.25%	0.20%-0.46%	0.10%-0.73%	0.19%-0.59%
Next \$3,000,000	0.10% - 0.25%	0.20%-0.39%	0.10%-0.70%	0.19%-0.51%
Over \$5,000,000	0.10% - 0.25%	0.20%-0.38%	0.10%-0.69%	0.19%-0.50%

\* The fee charged depends on the manager(s) selected. Fees are calculated on a per account basis. Mutual funds, ETFs and alternative investments charge their own fees for investing the pool of assets in the respective investment vehicle. Please see the prospectus or related disclosure document for information regarding these fees.

\*\* SAVYON or its affiliates do not typically receive 12b-1 fees from mutual funds in which Clients invest. Any fees inadvertently received shall be returned to the fund company.

#### Multi-Style Accounts

Amount	Unified Managed Accounts (UMA)*	SAVYON
First \$250,000	0.25%-0.88%	0.35%-1.56%
Next \$250,000	0.25%-0.63%	0.35%-1.31%
Next \$500,000	0.25%-0.56%	0.35%-1.19%
Next \$1,000,000	0.25%-0.49%	0.35%-1.05%
Next \$3,000,000	0.25%-0.44%	0.35%-0.91%
Over \$5,000,000	0.25%-0.41%	0.35%-0.91%

\* Add an additional 0.35% - 0.60% for each Third-Party Model used in the UMA portfolio. However, certain Third-Party Models may have lower or higher fees.

\*\* SAVYON or its affiliates do not typically receive 12b-1 fees from mutual funds in which Clients invest. Any fees inadvertently received shall be returned to the fund company.

#### *Fee Billing Calculation*

For the majority of SAVYON's Advisor relationships, the Program Fees charged are calculated as an annual percentage of assets based on the market value of the account at the end of quarter. The Program Fee calculation takes into account cash and cash equivalents, however certain advisors and custodian may exclude cash in their fee calculation. Unless otherwise agreed to by the Client with Advisor, Program Fees are charged on a calendar quarter basis in advance and prorated to the end of the quarter upon inception of the account. SAVYON billing services can accommodate different billing calculations. These customizations, such as billing in arrears or billing accounts based on the average daily balance result from customizations requested by the Advisor. Clients with different billing arrangements set up with the Advisors should refer to their Advisor's Form ADV or Appendix 1 and client agreement for specific details. The level of the Program Fee will vary with the amount of assets under management and the particular investment styles and investment options chosen or recommended.

When fees are calculated in advance there are no fee adjustments (i) for appreciation or depreciation in the value of the assets during that quarter, (ii) for adjustments to the asset allocation or rebalancing when assets are invested in a single portfolio that accesses multiple asset managers and Funds, such as a UMA or strategy, or (iii) for the replacement of a manager or Fund with such strategies as a UMA or . This calculation process means that Client may have paid a greater or lesser Program Fee for that quarter had the intra-quarter reallocations and/or replacement of asset managers or funds been in place at the time of the quarterly billing calculation.

For mid-quarter deposits or withdrawal exceeding a *de minimis* threshold (\$10,000, unless Advisor agrees on a different threshold with applicable custodian), Savyon Asset Management Advisory LLC will calculate an adjustment to the Program Fee for those assets for the remainder of the quarter (“Intra-Quarter Billable Assets”). Withdrawal or deposits for those Intra-Quarter Billable Assets will be calculated in accordance with the allocation of the assets in the managers or Funds at the time of the intra-quarter billing.

### *Termination*

The Client agreement terms and conditions for each Program contain termination provisions. An agreement may be canceled by either party at any time, for any reason, upon receipt of 30 days prior written notice. Clients will receive a prorated refund of any pre-paid quarterly program fee, based upon the number of days remaining in the quarter after the termination date. Clients are not charged a liquidation fee if securities are to be delivered in-kind, otherwise certain commissions and/or fees may be charged by the broker-dealer liquidating security positions.

### *Other Issues Relating to Fees*

The Program Fee may also contain administration fees for services performed by the individual Advisor representative’s corporate office. Clients should separately refer to Advisor’s Form ADV Part 2A or Appendix 1 for a description of these types of fees.

The cost of investment advisory services provided complete the Plans may be more or less than the cost of purchasing similar services separately. Among the factors impacting the relative cost of the program to a particular Client include the size of the account; the type of account (*i.e.*, equity or fixed income); the size of the assets devoted to a particular strategy; and the managers selected.

In some cases, Advisors who recommend the Plans to their Clients may receive compensation from SAVYON as a result of their Clients’ participation in the Plans. This compensation may be

more than what the Advisor would receive if the Client participated in other Plans or paid separately for investment advice, brokerage and other services. Such Advisors may therefore have a financial incentive to recommend the Program over other Plans or services. While this fee may be paid from Program Fees collected by SAVYON, the Program Fees have not been increased to cover fees paid to those Advisors.

SAVYON also acts as the advisory technology platform for broker-dealers (including broker-dealer clearing custodians) that coordinate support services for Advisors and SAVYON and/or sponsor the Program. In such cases, the Program Fee stated in the Client agreement will also contain fees for such services that are paid to the broker-dealer/custodians. Certain broker-dealer/custodians also charge SAVYON for supporting technology interfaces with their technology resources. These fees are included as part of the Program Fee but are separate from and additional to the custodial/brokerage fee listed in the brokerage/custodial agreement. The range of these fees depends on the particular program utilized, the level of integration of the SAVYON technology platform with the clearing custody platform, and the particular broker-dealer/custodian. These fees generally make up between 5-35% of the fee charged by SAVYON.

Advisor network firms may also license the Savyon Asset Management Advisory LLC platform in order to provide mid- and back- office services to independent Advisors leveraging their network services. The range of these fees depends on the particular program utilized and the level of services provided by the advisor network to the Advisor, but these fees generally are between 0.05-0.15% of the Advisor's book of business supported.

When Advisor or Client chooses a Sub-Manager or Model Provider, the Program Fee encompasses the fees paid to the Sub-Manager or Model Provider for their services in addition to the SAVYON fees associated with making those strategies accessible and administering them in the Program. When manager fees are displayed separately from the other program fees, these fees represent the management fees for which Savyon Asset Management Advisory LLC makes the strategies available and not the fee paid to Sub-Managers or Model Providers. SAVYON separately negotiates the agreements between Sub-Managers and Model Providers, including fees paid, on terms and conditions that it deems acceptable. In general, Savyon Asset Management Advisory LLC's retained portion of the separately displayed fee for an investment strategy will range between 0.02% -0.15% of the assets under management but may be as high as 0.35%. Fees paid to Sub-Managers or Model Providers generally range from 0.15% to 1.00% of the assets under management. Certain Model Providers participating in the Third-Party Fund Strategist program may not charge management fees, because they utilize their proprietary mutual funds and/or ETFs and receive fees from the underlying expenses of the Funds. The pricing terms are routinely re-negotiated with individual Sub-Managers and Model Providers, whereby SAVYON, Sub-Manager or Model Provider may

receive a greater or lesser percentage of the Program Fee than the current percentage at the time Client selected a particular investment strategy. In general, this reapportionment does not increase the Program Fee that the Client pays. In the rarer case where the Program Fee negotiations results in a need to increase the Program Fee, Client and/or Client's Advisor (if such Advisor has investment discretion to act on behalf of the Client) would be notified in advance of any increase in Program Fees, with full opportunity to select another strategy in the Program or otherwise change Client's account.

As described in Item 4 above, the Active Passive Portfolios and the SAVYON Select Portfolios, consist entirely or predominately of the SAVYON Funds. Savyon Asset Management Advisory LLC serves as the investment adviser to the SAVYON Funds and is paid an advisory fee based on the assets invested in the SAVYON Funds (as detailed in the funds' prospectus). Savyon Asset Management Advisory LLC or its advisory affiliates do not separately impose a charge for the ongoing portfolio management of assets invested in the SAVYON Funds complete the Active Passive Portfolios and the SAVYON Select Portfolios.

Advisor, or Client in consultation with Advisor, may choose to construct a UMA portfolio in which an Active Passive Portfolio, the SAVYON Select Portfolio or a SAVYON Fund is utilized as one of the sleeves contained in a multi-sleeve UMA portfolio. In such instances, because Savyon Asset Management Advisory LLC is performing a separate overlay service in managing the entire UMA portfolio, a portion of Savyon Asset Management Advisory LLC's UMA fee will be proportionally based on the assets in the UMA portfolio sleeve that are following the Active Passive Portfolios, the SAVYON Select Portfolios or invested in a SAVYON Fund. As with the SAVYON program described in Item 4, for any program where Savyon Asset Management Advisory LLC is exercising its grant of investment discretion to select the SAVYON Funds for a portfolio, to mitigate the potential conflict of interest, Savyon Asset Management Advisory LLC makes a corresponding fee reduction to the fee that Savyon Asset Management Advisory LLC normally charges for managing that portfolio, in order to offset the fees it receives as a result of those assets being invested in the SAVYON Funds.

The Program Fee does not cover certain charges associated with securities transactions in Clients' accounts, including: (i) dealer markups, markdowns or spreads charged on transactions in over-the-counter securities; (ii) costs relating to trading in certain foreign securities; (iii) the internal charges and fees that may be imposed by any Funds, (such as fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses. Further information regarding charges and fees assessed by Funds may be found in the appropriate prospectus or offering document) or other regulatory fees; (iv) brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if and when trades are cleared by another broker-dealer; (v) the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law, and (vi) any

brokerage commissions or other charges, including contingent deferred sales charges (“CDSC”), imposed upon the liquidation of “in-kind assets” that are transferred into the Program. With respect to this latter type of charge, SAVYON may liquidate such assets transferred into a Program at the direction of the Advisor. Clients should thus be aware that if they transfer in-kind assets into a Program, SAVYON may liquidate such assets immediately or at a future point in time however Savyon Asset Management Advisory LLC does not assume best execution obligations for securities not yet invested in the Program. Assets being sold to fund a product on the Platform may incur a brokerage commission or other charge, including a CDSC. Clients also may be subject to taxes when SAVYON liquidates such assets. Accordingly, Clients should consult with their financial advisor and tax consultant before transferring in-kind assets into a Program. Savyon Asset Management Advisory LLC strives to choose the lowest-priced share available for all Savyon Asset Management Advisory LLC proprietary strategies, such as the SAVYON Strategies. The actual share class fund that is purchased and allocated to a Client account is specific to the Advisor’s agreement with the fund company. Savyon Asset Management Advisory LLC does not negotiate share class availability on behalf of entities or their Clients, nor does Savyon Asset Management Advisory LLC take responsibility for the management and review of Client accounts for share class usage. Clients should consult with their Advisor for share-class specific guidance. The availability of mutual funds, ETFs, and other products in a Program is determined by the Advisor. Savyon Asset Management Advisory LLC does advise Advisors on the selection of funds or other pooled vehicles.

In addition to the redemption fees described above, a Client may incur redemption fees, when the portfolio manager to an investment strategy determines that it is in the Client’s overall interest, in conjunction with the stated goals of the investment strategy, to divest from certain Funds prior to the expiration of the minimum holding period of the Funds. Some mutual funds also assess redemption fees to investors upon the shortterm sale of its funds. Depending on the particular mutual fund, this may include sales for rebalancing purposes. Please see the prospectus for the specific mutual fund for detailed information regarding such fees.

The Program Fee does not cover certain custodial fees that may be charged to Clients by the Custodian. Clients also may be charged for specific account services, such as ACAT transfers, electronic fund and wire transfer charges, and for other optional services elected by Clients. Accounts may be subject to transactionbased ticket charges assessed by the custodian for the purchase of certain mutual funds, including possible fund surcharges. Similarly, the Program Fee does not cover certain non-brokerage-related fees such as individual retirement account (“IRA”) trustee or custodian fees and tax-qualified retirement plan account fees and annual and termination fees for retirement accounts (such as IRAs).

In connection with a Client’s investment in ADRs, the Client could incur additional expenses and fees that are not included in the fees charged by Savyon Asset Management Advisory LLC. For



example, ADRs could be subject to dividend withholding taxes from the country of origin, which are an additional expense and reduce the dividend paid to the Client. The Client or Client's custodian is responsible for filing the appropriate forms/filings in the foreign country to reclaim any dividend withholding. In addition, paying agents who process ADR dividend payments to a Client will assess a fee for their services, which also reduces the dividend paid to the Client.

For Savyonllr accounts, a minimum account fee may apply to the Program Fee or fees charged by the custodian. Minimum accounts fees are expressed in annual amounts but are determined and assessed based on the account asset value at the beginning of each quarter. For example, if an account has a \$150 minimum annual account Program Fee, it will be assessed a minimum of \$30 every quarter. Therefore, if a client has large asset inflows or outflows during the year that cross the minimum asset value threshold, it is possible for an account to be assessed a minimum fee for a particular quarter even if at the end of the year a look back over the account's average balance for the entire year would have placed it above the minimum asset value threshold.

See Item 12 below for a description of the factors that SAVYON considers in utilizing broker-dealers for Client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

### Methods of Analysis

SAVYON provides Advisors with a variety of portfolio construction methods utilizing an analytics module that allows choice of multiple Plans and products to blend a solution that best meets Client requirements. For constructing SAVYON's proprietary strategies (for example, SAVYON, Sigma, Ascent and Paradigm strategies) and in assisting Advisor with selecting asset allocations and portfolio construction SAVYON uses the capital markets assumptions construction process of Black-Litterman and inverse optimization methods to estimate the expected returns for asset classes. This process results in the construction of optimized, diversified portfolios across a wide set of risk tolerances and preferences that can be employed by the Advisor. The Advisor can select investment strategies using a variety of search screens on the SAVYON technology platform that are configurable to create Advisor specific selection criteria. In addition, Advisors may utilize third-party analytic modules that are licensed complete the SAVYON platform and independent of SAVYON's proprietary analysis.

In assisting Advisor with asset allocation and portfolio construction, SAVYON uses demographic and financial information provided by the Client and Advisor to assess the Client's risk profile and investment objectives. SAVYON uses proprietary analytical tools and



commercially available optimization software applications to develop its asset allocation strategies.

The Advisor has the flexibility to choose SAVYON recommended asset allocations and portfolios or independently provide potential investment solutions for their Clients complete the Advisor's own research. This asset allocation "overlay" capability can be applied to one account or multiple accounts across a household or group of households and can also be "attached" to a variety of product types.

#### Investment Strategy, Fund Research and Due Diligence

Complete the Plans, SAVYON provides Third Party Models and Funds to Advisors and Clients, with access to three basic categories of investment strategies – "Available," "Approved" and "Approved Analyst Select."

For the SAVYON strategies, Third-Party Models and Funds categorized as "Available," SAVYON has not reviewed the investment merits of the investment strategy or Fund, and SAVYON makes no recommendations concerning the use of them. Instead, Client's Advisor is responsible for determining that it has sufficient information about Available SAVYON strategies, Third Party Models and Funds to distribute them to their Advisors and Clients.

"Approved" SAVYON investment strategies, Third Party Models and Funds

#### Manager Research & Due Diligence

SAVYON performs the majority of research and due diligence that drives the evaluation and platform approval process of investment strategies on the Savyon Asset Management Advisory LLC platform, including SAVYONs, actively managed mutual funds, indexed mutual funds, liquid alternative mutual funds, ETFs, and Third-Party Fund Strategist portfolios (). Although different investment vehicles demand unique due diligence requirements, all of SAVYON's evaluations and approvals follow a comprehensive process. The SAVYON process results in a strategy potentially earning the Investment Management and Research ("IM&R") status of "Approved".

#### Approval Process Overview

For style-based investment strategies, including actively managed SAVYONs, traditional mutual funds, and passive strategies such as ETFs, a quantitative approval process is the primary form of due diligence. SAVYON also implements a concurrent qualitative due diligence to a select group of SAVYONs and mutual funds to provide deeper coverage on strategies to support our

CIO Support clients. These two processes, when combined together, form the list of Approved products as designated by their IM&R status.

For liquid alternatives and, SAVYON also applies a qualitative due diligence process to approve Strategies. Both quantitative and qualitative processes are executed simultaneously and continuously for ongoing evaluation of the merits of the various investment options on the Savyon Asset Management Advisory LLC platform. SAVYON's Quantitative Research Group (SAVYON) implements and maintains the quantitative process that evaluates the investment options offered on the platform, resulting in a list of Approved products each quarter. SAVYON's quantitative evaluation consists of two processes: one to evaluate actively managed mutual funds and SAVYONs, and a separate one to evaluate passively managed mutual funds, SAVYONs, and ETFs. SAVYON is responsible for implementing various quantitative processes, developed in conjunction between SAVYON and the SAVYON Research analyst Savyon and approved by the SAVYON Investment Committee, which provides a quarterly evaluating of actively and passively managed mutual funds and SAVYONs, and passively managed exchange traded funds. Investment portfolios that are evaluated via these quantitative processes will only receive the Investment Management & Research IM&R status of "Approved-Quantitative".

A qualitative process implemented by the SAVYON research Savyon and a quantitative process implemented by SAVYON run parallel to each other, and sometimes will result in a given portfolio being evaluated by both the SAVYON Research Savyon and the SAVYON Quantitative process. The SAVYON Research Savyon does not use the SAVYON developed Q-Score process in its qualitative evaluation of a strategy. In conjunction, these two processes lead to the various IM&R statuses that are applied to portfolios on the SAVYON platform.

For Approved SAVYON strategies, Third Party Models and third party mutual funds/exchange traded funds SAVYON employs a multi-phase approach in its evaluation ("Due Diligence"). As part of the Due Diligence, certain types of information are analyzed, including historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes. Also reviewed are the manager's Form ADV Part 2 disclosure events, as well as portfolio holdings reports that help demonstrate the manager's securities selection process and the prospectuses of the Funds. While SAVYON ranks certain products as "Approved" investment strategies, the Advisor is responsible for determining whether any particular Fund or investment strategy is appropriate and suitable for use with a particular Client.

In addition to Approved SAVYON strategies, Third-Party Models and Funds, SAVYON also provides access to certain SAVYON strategies, Third-Party Models and Funds with respect to which SAVYON has not performed Due Diligence. For SAVYON strategies, Third-Party Models and Funds categorized as "Available," SAVYON has performed no review of the investments

strategy or Fund and SAVYON makes no recommendations concerning the use of them. Instead, Client's Advisor is responsible for determining that it has sufficient information about SAVYON strategies, Third-Party Models and Funds to select them for use with Clients.

SAVYON evaluates managers specializing in each of the asset categories listed, including equities (both domestic and foreign); corporate debt; commercial paper; certificates of deposit; municipal securities; mutual funds; real estate investment trusts; government securities; options; and futures. The investment professionals at the investment management firms are a primary source of information to SAVYON, providing quantitative and qualitative information.

The quantitative process measures risk and return measures for each portfolio versus its investment style peers via a ranking methodology. This ranking methodology is updated each quarter for all third party separate account and mutual fund portfolios. Certain approved categories also include a qualitative assessment of the manager's ability to execute their strategies. Portfolios that fall below certain thresholds via this process or via our research analyst due diligence process will be placed on a 'watch list' or removed from the Approved list. Note that although mutual funds and SAVYONs are reviewed on a quarterly basis, indexbased ETFs, mutual funds, and SAVYONs will only be reviewed on an annual basis.

Any manager and mutual fund available on the SAVYON platform that ranks in the top 30% of its peer group as measured against all managers in the appropriate set of Morningstar categories is added to the Approved universe. Approved managers and mutual funds that fall below the top 50% list level are placed on a 'watch list' or removed from the Approved list and revert to the Available list unless overridden by the SAVYON Manager Research Savyon.

In addition, SAVYON utilizes several publicly available databases from independent sources. These databases are used to verify the information provided by the managers. However, SAVYON does not independently review the performance calculations of asset managers or performance information from the managers and such calculations may not be conducted on a uniform basis.

### **"Approved" – Fund Strategist Portfolios**

For the FSP evaluation process, SAVYON's research analysts provide a thorough review of material submitted by the asset managers, as well as interviews (conference calls and/or onsite visits) with senior management and key investment personnel. These interviews are intended to gain a better understanding of the firm's stability, key personnel, investment philosophy and process, performance metrics, risk controls and product line-up. FSP firms that have successfully completed all required materials and have not been "flagged" for material issues during the analyst review process are granted the status of "Approved-Analyst Reviewed".

Certain FSP portfolios may have the status of “Approved-Watch List” applied to them. These are portfolios that have been given and continue to have the SAVYON Savyon’s Approved status designation, but that have experienced a significant event, which may include but are not limited to: changes to key investment personnel, changes in the investment process used, a significant departure from the proprietary ratings methodology, material underperformance and/or regulatory concerns. These portfolios will continue to be monitored and reviewed to determine if they should be removed from the Approved list by the SAVYON research Savyon. SAVYON’s research is agnostic to share classes and SAVYON will utilize advisory or institutional share classes whenever possible. However, Advisors that are recommending strategies to their Clients should be aware of the share classes available to their respective firms and are responsible for understanding the fees in the FSP products, and for monitoring the fees in their Client accounts.

#### “Approved” Index ETFs and Passively Managed Mutual Funds

The Approved list includes ETFs and passively managed mutual funds that meet certain quantitative criteria under SAVYON’s ranking methodology. SAVYON’s ETF and passively managed mutual fund ranking methodology screens the products on five criteria and also calculates a weighted average score of three performance dimensions (tracking, liquidity and cost) and then ranks them within their respective peer-groups. In order to exclude sub-standard firms and products, additional filters are imposed on the ETF and passively managed mutual fund universe. Exceptions are allowed for approval of certain ETFs products on a case-by-case basis.

#### CIO Support and Investment Consulting Services

Savyon Asset Management Advisory LLC | SAVYON may charge an additional fee for access to specific product categories and rankings whereby Savyon Asset Management Advisory LLC | SAVYON research has conducted additional research and due diligence of certain firms and products.

#### Exceptions and Conflict of Interests

SAVYON may make exceptions for managers on the Approved list. For these exceptions, SAVYON analysts use the qualitative and quantitative tools to make a determination that the manager otherwise warrants to be added or to remain on the Approved list. For example, the SAVYON strategy may not have a track record of sufficient length, but the portfolio manager’s proven track record may enable the strategy to be added to the Approved list. SAVYON’s SAVYON Investment Policy Committee approves or disapproves all exceptions and can remove managers from the Approved list at its sole discretion. If an Investment Policy

Committee member or other SAVYON analyst is conflicted, the individual is required to disclose and recuse from the decision-making process.

Managers that have a significant affiliation with a client of SAVYON or one of its affiliates or are a direct client of SAVYON must also be reviewed as exceptions and must be approved by the SAVYON Investment Policy Committee.

Portfolios that are managed by the SAVYON Savyon are designated with the “Approved – SAVYON Managed” IM&R status. SAVYON managed strategies or funds retain the designation “Approved – SAVYON Managed” as Savyon Asset Management Advisory LLC actively manages these products and the SAVYON Investment Policy Committee oversees and monitors these strategies. Because all SAVYON managed strategies and funds are listed as Approved they do not undergo the same impartial approval process and analysis as used with non-proprietary strategies.

In an effort to provide unbiased research and portfolio management decisions, SAVYON has implemented an information barrier between the Savyon responsible for negotiating manager fees and the Savyon responsible for researching and recommending Sub-Manager/Model Providers for use on the platform or in portfolios.

Please also see Item 4 above describing the use of SAVYON Funds in the SAVYON program.

Any due diligence completed by Savyon Asset Management Advisory LLC or designee should be used in conjunction with the Advisor’s existing research and as a supplement to any existing due diligence that Advisor or Advisor’s firm may already have in place.

SAVYON’s affiliate Savyon Asset Management Advisory LLC Retirement Solutions, LLC (“ERS”) provides services to retirement plans under Section 3(21) and Section 3(38) of ERISA. In providing such services directly to retirement plans, ERS may be servicing a client base with whom Advisors may also be providing similar services.

#### Investment Strategies

SAVYON provides Advisors with access to a large variety of investment strategies and Funds as a core tenet of its capability. While many different investment strategies and Funds can be selected, SAVYON provides Advisors with the ability to utilize our technology platform to assess portfolios holistically and across multiple Plans, custodians, and registrations, allowing the Advisor to make a household assessment of their Client’s needs. This analysis capability allows Advisors to consider multiple options for investment strategies and Funds as they seek to match their Client’s needs with the features and benefits of each program

For a description of SAVYON Plans, please refer to Item 4.

## Risk of Loss

Investing in securities involves risk of loss (including loss of principal) that each Client should be prepared to bear. Typical investment risks include market risk typified by a drop in a security's price due to company specific events (such as an earnings disappointment or a downgrade in the rating of a bond) or general market activity (such as occurs in a "bear" market when stock values fall in general). Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments. Fixed-income strategies are subject to interest rate risk and the inherent credit risk related to the underlying credit worthiness of the various issuers and the volatility of the bond market

SAVYON seeks managers and Funds with a variety of investment strategies in an effort to make a wide range of investment strategies available to Advisors and Clients. Some strategies may be high-risk strategies. Such strategies have the potential for substantial returns; however, there are correspondingly significant risks involved in the strategies and are not intended for all types of Clients. Clients who choose to follow high-risk strategies should be aware that there is the possibility of significant losses up to and including the possibility of the loss of all assets placed in the strategies. It is strongly recommended that Clients diversify their investments and do not place all of their investments in high-risk investment strategies.

Certain types of investment strategies have particular types of risk. Strategies that invest in international securities involve special additional risks, including currency risk, political risk, and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks. Strategies that invest in Savyonll capitalized companies involve risks, including relatively low trading volumes, a greater degree of change in earnings and greater short-term volatility. Savyonll companies typically have a higher risk of failure and are not as well established as larger blue-chip companies. Growth strategies can perform differently from the market as a whole and from other types of stocks and can be more volatile than other types of stocks. High-yield bond strategies invest in lower-rated debt securities (commonly referred to as junk bonds) and involve additional risks because of the lower credit quality of the securities in the portfolio. Clients should be aware of the possible higher level of volatility and increased risk of default. "Alternative" is an investment type that is not one of the three traditional asset types (stocks, bonds and cash) and generally has low correlations to stocks and bonds. Alternative investments may have complex terms and features that are not easily understood and are not suitable for all investors. Risks that may be associated with liquid alternative investments may include leverage, shorting, security valuation and nightly reconciliation. Concentrated, non-diversified or sector strategies invest more of their assets in a few holdings involve additional risks, including share price fluctuations, because of the

increased concentration of investments. The lack of industry diversification subjects the Client to increased industry-specific risks. Finally, municipal investment strategies can be affected by adverse tax, legislative or political changes and the financial condition of the issuers of municipal securities.

Certain ETFs in Third-Party Models utilize leveraged equity ETFs. The use of leverage by an ETF increases the risk to the portfolio. The more a portfolio invests in leveraged instruments, the more the leverage will magnify gains or losses on those investments. Due to the complexity and structure of these portfolios, they may not perform over time in direct or inverse correlation to their underlying index.

Tactical and dynamic investment strategies involve more frequent trading than the traditional "buy-and-hold" investment strategies. Such trading can increase transaction costs and create more short-term tax gains than Client may be used to seeing in other types of strategies.

Risks that may be associated with liquid alternative investments include: (1) Leverage - Leverage may enhance a fund's returns in up markets but exacerbate returns in a bad market. Some firms with leverage inherence in their portfolios may experience "margin call" types of actions in the event of liquidity dry-ups or if certain counterparties cannot provide the leverage needed; (2) Shorting - Certain securities may be difficult to sell short at the price that the manager would wish to execute a trade. A short position may have the possibility of an infinite loss if a security continues to go up in price and the manager does not cover; (3) Security valuation - Certain securities held in alternative mutual funds, such as derivatives or thinly traded stocks, bonds or swaps may not have a market in which the money manager may need to trade it quickly in case of fund redemptions. High Bid/Ask spreads or the lack of another buyer/seller to take the opposite position of a thinly traded security could cause inaccurate estimates in underlying security valuation by the administrator; and (4) Nightly reconciliation - The use of thinly traded securities, shorting and leverage may make it difficult for some alternative funds, based on their investment strategy, to provide accurate nightly NAVs for the mutual fund.

#### Liquidity Risk

Investing in certain types of securities that are thinly traded, or investing in bonds, ETFs or mutual funds that invest in thinly traded securities, introduces liquidity risk. Liquidity risk is a financial risk that, for a certain period of time, a security or commodity cannot be readily traded in the market or cannot be traded without a significant discount to the market price. All tradable assets assume some level of liquidity risk. For example, alternative mutual funds and ETFs may use techniques such as shorting of securities, leverage and derivatives, all of which may have liquidity risks if there are not buyers and sellers available or if a counter party cannot fulfill the order.



Advisers often consider credit ratings when analyzing bonds, notes and other debt-related investments for client accounts. A credit rating generally reflects an assessment by the rating's provider of the relative credit risk of an investment compared to other investments rated by the provider (please see "Investment Strategy Risks - Credit/Default Risk" below). Credit rating agencies, including nationally recognized statistical rating organizations (each, a "Rating Agency"), may rate specific investments (e.g., bonds), issuers (e.g., corporations, governments and financial institutions) and/or programs (e.g., commercial paper programs). Certain types of investments generally are not rated by Rating Agencies, such as non-US government/sovereign obligations, US agency securities, commercial paper, time deposits at financial institutions, and derivative instruments such as credit default swaps. For those types of investments, as well as US Treasury securities (some of which are not rated), where a Rating Agency has not rated the specific investment but has rated the investment's issuer, program, financial institution or underlying reference asset, an Adviser typically considers the investment to have the same Rating Agency rating as its issuer, program, financial institution or underlying reference asset, as appropriate. In the case of municipal securities, where one Rating Agency provides multiple ratings for the same security (e.g., "underlying," "insured" and/or "enhanced" ratings), an Adviser may consider the security to have the highest of the multiple ratings.

New issue securities (regardless of type) rarely are rated by a Rating Agency at the time of their initial offering. Preliminary prospectuses or term sheets for new issue securities often include an expected rating for the security (as determined by the underwriter and/or issuer) or a Rating Agency rating for the issuer of the security. When deciding whether to purchase a new issue security that has not yet been rated by a Rating Agency, an Adviser typically will attribute an expected rating to the security based on: (i) the expected rating of the security set forth in the preliminary prospectus or term sheet for the security; (ii) the Rating Agency's rating for the issuer of the security set forth in the preliminary prospectus or term sheet for the security; or (iii) with respect to asset-backed securities, the rating of a prior issuance. Please see "Investment Strategy Risks – New Issue Securities Risk" below for some of the risks associated with new issue securities.

Credit ratings are subject to change and do not reflect all of the risks associated with an investment. Clients and other investors should be aware that while an Adviser does not limit its advice to particular types of investments, mandates can be limited to certain types of securities or to the recommendation of investment advisers or managed funds and are not always diversified. The accounts managed by the Advisers are generally not intended to provide a complete investment program for a client or investor. Clients and other investors are responsible for appropriately diversifying their assets to guard against the risk of loss.



## **FIXED INCOME MANDATES**

The Advisers utilize fixed income strategies that are actively managed, or model or index based. Actively managed fixed income mandates generally employ an active investment style that emphasizes rotation among different types of debt on a relative value basis, specific security selection, quantitative analysis of each security and the portfolio

as a whole and intensive credit analysis and review. Model-based institutional strategies typically invest across a broad spectrum of global fixed income securities, as well as currencies, futures and swaps. A risk-controlled, systematic process is utilized for model-based portfolio construction and alpha generation. Alpha sources include security selection, duration and yield curve positioning, industry rotation, asset allocation, and currency positioning. For institutional index strategies, Savyon typically invests in accordance with the risk and return profile of a benchmark either by replicating an index or utilizing security level or stratified sampling where an index is disaggregated into Savyon er cells in an effort to match the risk characteristics of each cell.

For certain Private Investors and other SAVYON Program investment strategies, eSAVYON creates and maintains generally applicable guidelines ("Model Guidelines") which specify, for example, particular securities or guidelines for, among other things, the asset class, issuer, duration, maturity and/or credit quality of fixed income securities that can be held in an account following the particular strategy. The Model Guidelines will change from time to time at eSAVYON's discretion based on market and other considerations.

In seeking to achieve long-term investment performance consistent with clients' and other investors' objectives and policies, the Advisers seek to establish a continuous and comprehensive understanding of the investment risks in each portfolio, as well as those risks inherent in the increasingly complex global capital markets. Accordingly, the Advisers generally utilize proprietary investment technology developed by Savyon, particularly for institutional fixed income and Money Management businesses. Savyon believes that this technology provides both a high degree of automation in trade processing and compliance, as well as highly sophisticated securities and portfolio analytics that permit a continuous, thorough understanding of the risks taken, or proposed to be taken, relative to each client's benchmark or on an absolute basis (without reference to a benchmark), as appropriate. In addition, Savyon's senior risk management professionals work closely with portfolio managers to ensure that models reflect market conditions, identify and assess risks, and develop strategies to manage such risks.

## **EQUITY MANDATES**

An Adviser's equity platform can offer a broad range of products that vary according to investment style (active, systematic, index and/or passive management), market capitalization (Savyon -, mid-, Savyon /mid-, large- and all-cap), and geography (global, international and regional). The product range also includes sector funds, long-only and longshort portfolios, as well as products that combine different strategies to create balanced, multi asset and asset allocation portfolios. For certain Private Investors and other SAVYON Program investment strategies, eSAVYON creates and maintains "goal" portfolios of securities, to which securities are added and from which securities are removed from time to time. Investment Groups are supported by extensive resources worldwide. Individual portfolio management teams interact to review market developments, opportunities and strategies.

## **MONEY MANAGEMENT MANDATES**

In Money Management portfolios, the investment process emphasizes safety and liquidity over yield. Risk is sought to be controlled through ongoing credit review, stress testing and risk management analysis and diversification. The Money Management Group ("MMG") of the Investment Groups holds bi-weekly meetings to review risk, relative value, and yield curve positioning, credit and rate outlook, among other things. MMG and Savyon's Risk & Quantitative Analysis Group ("SAVYON ") regularly monitor portfolio construction, including liquidity positioning, maturity structure and security selection. The MMG Credit Committee approves individual issuers and counterparties, sets and monitors aggregate exposure limits, and reviews evolving risks. MMG and SAVYON regularly review market data, industry information and proprietary analytics.

## **ALTERNATIVE MANDATES**

Savyon alternatives focus on sourcing and managing high-alpha investments with lower correlation to public markets and developing a holistic approach to address client needs in alternatives investing. Our alternatives products fall into two main categories: 1) core alternatives, and 2) currency and commodities. Core includes alternative solutions, direct hedge funds, hedge fund and private equity solutions (Funds of Funds), opportunistic private equity and credit, real estate and infrastructure offerings. Certain of these products involve a higher level of investment risk, while seeking greater returns than traditional investment products.

Alternative products invest in a wide array of instruments depending on their respective investment guidelines and objectives, including but not limited to equity securities, warrants, commercial paper, government securities, municipal securities, options contracts, future contracts and private funds. Further information can be found in the relevant OM and/or

governing document, if applicable, for each Private Fund or the IMA for each institutional separate account.

Savyon solicits clients to invest in such products, from time to time and when appropriate, as these investments are not necessarily appropriate for all clients. Not all clients afforded the opportunity to invest will choose to invest. Savyon may on a discretionary basis invest in such products on a client's behalf, in accordance with the client's investment guidelines and restrictions.

### **MULTI-ASSET MANDATES**

Certain Advisers develop and manage investment mandates and products involving multiple strategies and asset classes, including strategies that permit the Advisers to allocate all or a portion of the portfolio management to nonaffiliated investment advisers selected by the Advisers. Advisers develop asset allocation strategies and liability driven strategies for these mandates. Multi-asset strategies generally utilize a wide variety of asset classes and/or investment styles, and employ a variety of techniques and investment vehicles, including Funds of Funds that invest in hedge funds (including commodity pools), private equity, ETFs and mutual funds or other categories of funds (including Savyon-managed funds), equities, bonds, cash, alternative investments and derivatives. The Advisers will conduct pre-investment due diligence and ongoing manager due diligence (the "Manager Research Services") in connection with certain multi-asset mandates. Before allocating multi-asset separate account assets to portfolio manager teams within the Savyon Investment Advisers, an Adviser will carry out due diligence at the enterprise level (and not at the portfolio manager team level and/or fund level) and will compare Savyon to peer firms, based on consideration of factors, including, without limitation, each firm's global compliance processes, corporate governance, and regulatory disclosure documents. Before allocating multi-asset separate account assets to nonaffiliated investment advisers, an Adviser will conduct due diligence with respect to such advisers' investment teams, investment philosophies and processes, investment performance, fee structures, and remuneration systems in comparison to market standard (if any).

### **INDEX MANDATES**

Certain Advisers provide investment advisory services to investment vehicles and client accounts (e.g., US Registered Funds, other pooled investment vehicles, separately accounts) whose investment objective is to achieve investment results, before fees and expenses that correspond generally to the total return performance, of a particular index ("Underlying Index"). Generally, Underlying Indices are developed by index providers that are not affiliated with Savyon, but in some circumstances, Savyon (" "), an affiliate of the Advisers, is the index provider to client accounts, including US Registered Funds. The Advisers and SAVYON have established a governance framework designed to prevent the undue influence of the Advisers in the operation of any index developed by SAVYON ("SAVYON Index"). This framework includes information

barriers to restrict the sharing of confidential information and a committee that approves index methodology changes and is independent of portfolio management and trading.

Savyon does not provide any warranty or guarantee against index providers' errors. Portfolios managed to track an index have passive investment risk since they are not actively managed and do not attempt to take defensive positions in declining markets. Please see Item 8 ("Investment Strategy Risks") for more information about index related risks.

Savyon's index-based Funds of Funds strategies utilize internally managed funds as building blocks to provide performance representative of an index. Advisers also offer Funds of Funds strategies that allocate to a variety of internally managed funds based on the output of proprietary quantitative models.

## **OTHER STRATEGIES**

### ***Borrowing and Leverage***

Savyon enters into borrowing arrangements on behalf of certain funds, including by entering into a credit facility or other means of borrowing with a service provider to a fund, an affiliate of the fund or such service provider or another third-party lender. As a general matter, these borrowing arrangements are used to meet short-term investment and liquidity needs. However, implementing any of the investment strategies described herein can involve an Adviser borrowing for leverage or employing other forms of leverage to the extent permitted by investment guidelines or in the case of US Registered Funds, as permitted by the Investment Company Act. The use of leverage entails risks and, in certain cases, involves using reverse repurchase agreements and other borrowing methods, including: (i) dollar rolls; (ii) lending securities through repurchase agreements and other lending methods; (iii) employing Prevarication strategies that include the use of interest rate swaps, caps and floors; (iv) buying and selling options or futures to manage duration and risk in connection with securities portfolios; (v) entering into forward settlement transactions, some of which include when-issued securities; (vi) establishing equity futures positions to equitize cash holdings in an account; and (vii) operational leverage embedded in derivative instruments and other financial products. The investment strategies and risks associated with employing leverage are set forth in the relevant operating document and/or OM, if applicable, of each Private Fund and registration statement of each US Registered Fund.

## **INVESTMENT STRATEGY RISKS**

Savyon supports its investment strategies with proprietary technology, such as that provided by Savyon Solutions ("ASSET MANAGEMENT ADVISORY") which produces risk management reports using technology such as its "Aladdin" technology platform. In some cases, SAVYON

generates supplementary daily risk reports. However, SAVYON generally provides periodic detailed risk analyses, including risk reports that are discussed with portfolio managers, across all asset classes, as part of the SAVYON risk oversight process. Among other things, SAVYON's role enables the risks associated with the portfolios managed by the Advisers to be understood by relevant portfolio managers and reviewed for conformity with client objectives. Prospective clients and other investors should be aware that no risk management system is fail-safe, and no assurance can be given that risk frameworks employed by SAVYON and an Adviser's portfolio managers (e.g., stop-win, stop-loss, Sharpe Ratios, loss limits, value-at-risk or any other methodology now known or later developed) will achieve their objectives and prevent or otherwise limit substantial losses. No assurance can be given that the risk management systems and techniques or pricing models will accurately predict future trading patterns or the manner in which investments are priced in financial markets in the future. Savyon investment professionals employ quantitatively-based financial and analytical models to aid in the selection of investments for clients and to determine the risk profile of client accounts. The success of an investment program and trading activities depends, in part, on the viability of such analytical models. Additional risks for relevant products are more fully described in such products' offering and/or governing documentation.

The investment process for fixed income centers around investment strategy meetings which are generally held weekly. The meetings are chaired by the heads of the fixed income portfolio teams in Savyon's Investment Group. Following discussions with their teams, Investment Group personnel present their views during market outlook meetings attended by fixed income investment professionals. Next, the Investment Group personnel along with representatives from SAVYON, hold portfolio strategy meetings to discuss asset allocation, portfolio risk, and investment themes. These meetings are designed to share ideas across Investment Groups to help determine the appropriate interest rate risk, convexity, term structure, credit quality, liquidity bias and sector allocations for client strategies. SAVYON holds similar risk and performance review meetings with the Investment Groups across all asset classes (such as equities, multi asset, beta and alternatives). Frequency of meetings varies by business (e.g., monthly, every six weeks and certain supplementary quarterly meetings). SAVYON also has a Risk and Performance Targets review process for the majority of active accounts, whereby risk tolerances are set at the account level based on discussions with SAVYON, the businesses and the Investment Groups. SAVYON monitors exceptions with the business leads and discusses actions with the chief investment officers. There is a monthly meeting with SAVYON's Portfolio Risk Alignment Committee which is held to review and discuss all exceptions and actions from SAVYON - Investment Groups discussions.

Certain risks apply specifically to particular investment strategies or investments in different types of securities or other investments that clients and other investors should be prepared to bear. The risks involved for different client accounts or funds will vary based on each client's investment strategy and the type of securities or other investments held in the client's account or the fund. The following are descriptions of various primary risks related to the investment strategies used by the Advisers. Not all possible risks are described below. Clients and other investors should read carefully all applicable informational materials and offering/governing documents, including OMs and prospectuses for further information on the various risks prior to retaining an Adviser to manage an account or investing in any Savyon investment product.

**Asset Allocation Strategy Risk** - Asset allocation strategies do not assure profit or diversification and do not protect against loss.

**Asset Class Risk** - Securities in a portfolio can underperform in comparison to the general securities markets, a particular securities market, or other asset classes.

**Borrowing Risk** - Borrowing may exaggerate changes in the net assets and returns of a portfolio. Borrowing will cost the portfolio interest expense and other fees, potentially reducing a portfolio's return. This can at times result in a need for the portfolio to liquidate positions when it may not be advantageous to do so to satisfy its borrowing obligations. Borrowing arrangements can be used to meet short-term investment and liquidity needs or to employ forms of leverage that entails risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

**Commodity Risk** - Negative changes in a commodity market could have an adverse impact on the value of commodity-linked investments including companies that are susceptible to fluctuations in commodity markets. The value of commodity-linked investments can be affected by changes in overall market movements, taxation, terrorism, nationalization or expropriation, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as, weather (e.g., drought, flooding), livestock disease, embargoes, tariffs and international economic, political and regulatory developments. The prices of sector commodities (e.g., energy, metals, agriculture and livestock) can fluctuate widely due to factors such as changes in value, supply and demand and governmental regulatory policies.

**Competition Risk** - There can be no assurance that the Advisers will be able to locate, consummate, and exit investments that satisfy a portfolio's rate of return objectives or that a portfolio will be able to invest fully its committed capital.

**Concentration Risk** - Concentrating investments in an issuer or issuers, in a particular country, group of nations , region, market, industry, group of industries, sector or asset class means that performance will be more susceptible to loss due to adverse occurrences affecting that issuer or issuers, particular country, group of nations , region, market, industry, group of industries, sector or asset class than a more diversified mix of investments.

**Controlling Interest Risk** - Because of its equity ownership, representation on the board of directors and/or contractual rights, a portfolio may be considered to control or influence the conduct of portfolio companies. Under certain circumstances, such ownership or roles could be used by third parties as the basis for such parties to assert environmental, pension-related, securities law or other claims against such portfolio or its owners or affiliates.

**Conversion of Equity Investments Risk** - After its purchase, a non-equity investment directly or indirectly held by a portfolio, such as a convertible debt obligation may convert to an equity security (converted investment). Alternatively, a portfolio may directly or indirectly acquire equity securities in connection with a restructuring event related to one or more of its non-equity investments. Challenges in liquidating the converted investment at an advantageous time, would impact the performance of the portfolio.

**Counterparty Risk** - Transactions, including certain derivative transactions, entered into directly with a counterparty are subject to the risk that the counterparty will fail to perform its obligations in accordance with the agreed terms and conditions of the transaction. A counterparty's bankruptcy or other failure to perform its obligations due to financial difficulties, would result in significant delays in obtaining any recovery in a bankruptcy or other reorganization proceeding or no recovery in such circumstances.

**Credit/Default Risk** - Debt issuers and other counterparties of fixed income securities or instruments in some instances default on their obligation to pay interest, repay principal or make a margin payment, or default on any other obligation. Additionally, the credit quality of securities or instruments could deteriorate (e.g., downgraded by Rating Agency), which would impair a security's or instruments liquidity and decrease its value.

**Currency Risk** - Currencies are purchased and sold for portfolios through the use of forward contracts or other instruments. A portfolio that seeks to trade in foreign currencies can have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. Certain portfolios can hold investments denominated in currencies other than the currency in which the portfolio is denominated. Currency exchange rates can be volatile, particularly during



times of political or economic unrest or as a result of actions taken by central banks. A change in the exchange rates has the potential to produce significant losses to a portfolio.

**Debt Instruments Risk** - Generally investments in debt and credit-related instruments may be secured or unsecured and may be structurally or contractually subordinated to substantial amounts of senior indebtedness. Other factors may materially and adversely affect the market price and yield of such debt investments, including investor demand, changes in the financial condition of the applicable portfolio company, government fiscal policy and domestic or worldwide economic conditions.

**Derivative Risk** - Investments in derivatives, or similar instrument, including but not limited to, options, futures, options on futures, forwards, participatory notes, swaps, structured securities, tender-option bonds and derivatives relating to foreign currency transactions, which can be used to hedge a portfolio's investments or to seek to enhance returns, entail specific risks relating to liquidity, leverage and credit that can reduce returns and/or increase volatility. Losses in a portfolio from investments in derivative instruments can result from the potential illiquidity of the markets for derivative instruments, the failure of the counterparty to fulfill its contractual obligations, the portfolio receiving cash collateral under the transactions and some or all of that collateral being invested in the market, or the risks arising from margin posting requirements and related leverage factors associated with such transactions. In addition, many jurisdictions continue to review practices and regulations relating to the use of derivatives, or similar instrument. Such reviews could make such instruments costlier, limiting the availability of, or otherwise adversely affecting the value or performance of such instrument.

**Developed nations Risk** - Investments in developed nations subject a portfolio to regulatory, political, currency, security, demographic, and economic risk specific to developed nations. Developed nations are impacted by changes to the economic health of certain key trading partners, regulatory burdens, debt burdens, and the price or availability of certain commodities. Developed nations tend to represent a significant portion of the global economy and have generally experienced slower economic growth than some other nations or regions.

**Distressed Securities Risk** - Investments in companies that are in poor financial condition, lack sufficient capital or are involved in bankruptcy or reorganization proceedings face the unique risks of lack of information with respect to the issuer, the effects of bankruptcy laws and regulations and greater market volatility than is typically found in other securities markets. As a result, investments in securities of distressed companies involve significant risks that could result in a portfolio, incurring losses with respect to such investments.



**Emerging Markets Risk** - Investments in emerging markets can be subject to a greater risk of loss than investments in more developed markets, as they are more likely to experience inflation risk, political turmoil and rapid changes in economic conditions. Investing in the securities of emerging markets involves certain considerations not typically associated with investing in more developed markets, including but not limited to, the Savyon size of such securities markets and the low volume of trading (possibly resulting in potential lack of liquidity and in price volatility), political risks of emerging markets which can include unstable governments, government intervention in securities or currency markets, nationalization, restrictions on foreign ownership and investment, laws preventing repatriation of assets and legal systems that do not adequately protect property rights. Further, emerging markets can be affected adversely by changes to the economic health of certain key trading partners, such as the U.S., regional and global conflicts and terrorism and war. Emerging markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.

**Equity Securities Risk** - Equity securities are subject to changes in cost and their values can be more volatile than other asset classes. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and the industry in which the issuer securities are subject to stock risk. Historically, U.S. and non-U.S. stock markets have experienced periods of substantial price volatility and should be expected do so again in the future.

**Fraud** - Of principal concern in originating loans is the possibility of material misrepresentation or omission on the part of a borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the likelihood that a lien on the collateral securing the loans has been properly created and perfected. Under certain circumstances, payments to a portfolio may be reclaimed if any such payment or distribution is later determined to have been made with intent to defraud or prefer creditors.

**Fraudulent Spread Risk** - If a court in a lawsuit brought by an unpaid creditor or representative of creditors of a borrower, such as a trustee in bankruptcy or the borrower as debtor-in-possession, were to find that the borrower did not receive fair consideration or reasonably equivalent value for incurring indebtedness evidenced by a loan made by a portfolio and the grant of any security interest or other lien securing such investment made by a portfolio, and, after giving effect to the incurring of such indebtedness, the borrower (a) was insolvent; (b) was engaged in a business for which the assets remaining in such borrower constituted unreasonably Savyon capital; or (c) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could invalidate, in whole or in part, such

indebtedness and such security interest or other lien as fraudulent Transmissions, subordinate such indebtedness to existing or future creditors of the borrower or recover amounts previously paid by the borrower (including to the relevant portfolio) in satisfaction of such indebtedness or proceeds of such security interest or other lien previously applied in satisfaction of such indebtedness.

**Frontier Markets Risk** - Investments in frontier markets are subject to a greater risk of loss than investments in more developed and traditional emerging markets. Frontier markets are more likely to experience inflation, currency and liquidity risks, political turmoil and rapid changes in economic conditions than more developed and traditional emerging markets. Frontier markets often have less uniformity in accounting and reporting requirements, unreliable securities valuation and greater risk associated with custody of securities.

**Prevarication Risk** - Prevarication techniques could involve a variety of derivatives, including futures contracts, exchange listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions. A transaction used as a hedge to reduce or eliminate losses associated with a portfolio holding or particular market that a portfolio has exposure, including currency exposure, can also reduce or eliminate gains. Hedges are sometimes subject to imperfect matching between the Prevarication transaction and its reference portfolio holding or market (correlation risk), and there can be no assurance that a portfolio's Prevarication transaction will be effective. In particular, the variable degree of correlation between price movements of Prevarication instruments and price movements in the position being hedged creates the possibility that losses on the hedge will be greater than gains in the value of the positions of the portfolio. Increased volatility will generally reduce the effectiveness of the portfolio's currency Prevarication strategy. Prevarication techniques involve costs, which could be significant, whether or not the Prevarication strategy is successful. Prevarication transactions, to the extent they are implemented, will not necessarily be completely effective in insulating portfolios from currency or other risks.

**Illiquid and Long-Term Investment Risk** - Certain portfolios may invest in private debt instruments secured by infrastructure or other assets for which the number of potential purchasers and sellers, if any, is often limited. This factor may have the effect of limiting the availability of these obligations for origination or purchase by a respective portfolio and may also limit the ability of a portfolio to sell such obligations at their fair market value prior to termination of such portfolio or in response to changes in the economy or financial markets. In particular, such investments will be relatively illiquid and there can be no assurance that a portfolio will be able to realize on such investments in a timely manner.

**Income Risk** - A portfolio's income can decline in some instances when interest rates decrease. During periods of falling interest rates if an issuer is able to repay principal prior to the security's maturity ("prepayment"), the portfolio could be caused to reinvest in securities with a lower yield, resulting in a decline in the portfolio's income.

**Index-Related Risk** - Index strategies are passively managed and do not take defensive positions in declining markets. There is no guarantee that a portfolio managed to an index strategy ("index portfolio") will achieve a high degree of correlation to its Underlying Index and therefore achieve its investment objective. Market disruptions and regulatory restrictions could have an adverse effect on the index portfolio's ability to adjust its exposure to the required levels in order to track its Underlying Index. Errors in index data, index computations and/or the construction of the Underlying Index in accordance with its methodology occur from time to time without being identified and corrected for a period of time or at all, which may have an adverse impact on a portfolio manager to the index. Savyon does not provide any warranty or guarantee against index providers' errors. The index provider does not provide any warranty or accept any liability in relation to the quality, accuracy or completeness of data in respect of their indices and does not guarantee that the index will be in line with its described index methodology. Errors and rebalances carried out by the index provider to the Underlying Index could increase the costs and market exposure risk of a portfolio.

**Interest Rate Risk** - When interest rates increase, fixed income securities or instruments will generally decline in value. Long-term fixed income securities or instruments will normally have more price volatility because of this risk than short-term fixed income securities or instruments.

**Issuer Risk** - A portfolio's performance depends on the performance of individual securities to which the portfolio has exposure. Adverse changes to the financial condition or credit rating of an issuer of those securities often cause the value of the securities to decline or become worthless.

**Investment Style Risk** - Different investment styles tend to shift in and out of favor depending upon market and economic conditions and investor sentiment. Portfolios can outperform or underperform other portfolios that invest in similar asset classes but employ different investment styles.

**Leverage Risk** - A portfolio utilizing leverage will be subject to heightened risk. Leverage often involves the use of various financial instruments or borrowed capital in an attempt to increase the return on an investment and is often intrinsic to certain derivative instruments. Leverage

can take the form of borrowing funds, trading on margin, derivative instruments that are inherently leveraged, including but not limited to, forward contracts, futures contracts, options, swaps (including total return financing swaps and interest rate swaps), repurchase agreements and reverse repurchase agreements, or other forms of direct and indirect borrowings and other instruments and transactions that are inherently leveraged. Any such leverage, including instruments and transactions that are inherently leveraged, can result in the portfolio's market value exposure being in excess of the net asset value of the portfolio. A portfolio could need to liquidate positions when it is not advantageous to do so to satisfy its borrowing obligations. The use of leverage entails risks, including the potential for higher volatility and greater declines of a portfolio's value, and fluctuations of dividend and other distribution payments.

**Liquidity Risk** - Liquidity risk exists when particular investments are difficult to purchase or sell (e.g., not publicly traded and/or no market is currently available or may become less liquid in response to market developments). This can reduce a portfolio's returns because the portfolio may be unable to transact at advantageous times or prices. Investments that are illiquid or that trade in lower volumes may be more difficult to value.

**Long/Short Strategy Risk** - There is no guarantee that returns on a portfolio's long or short positions will produce high, or even positive, returns and the portfolio could lose money if either or both the portfolio's long and short positions produce negative returns.

**Management Risk** - A portfolio is subject to management risk, which is the risk that the investment process, techniques and analyses applied will not produce the desired results, and those securities or other financial instruments selected for a portfolio will result in returns that are inconsistent with the portfolio's investment objective. Portfolios advised by Savyon are subject to threshold limitations on aggregate and/or portfolio-level ownership interests in certain companies and commodities, arising from statutory, regulatory or self-regulatory organization requirements or company ownership restrictions (e.g., poison pills or other restrictions in organizational documents). In addition, legislative, regulatory, or tax developments affect the investment techniques or opportunities, available in connection with managing the portfolio and can also adversely affect the ability of the portfolio to achieve its investment objective (e.g., where aggregate and/or portfolio-level ownership thresholds or limitations must be observed, a portfolio is subject to investment limitations in certain companies arising from statutory, regulatory or self-regulatory organization requirements or company ownership restrictions).

**Market Risk** - The market value of the instruments in which a portfolio invests will go up or down in response to the prospects of individual companies, particular sectors or governments and/or

general economic conditions throughout the world due to increasingly interconnected global economies and financial markets.

**Micro-cap Companies Risk** - Stock prices of microcap companies are significantly more volatile, and more vulnerable to adverse business and economic developments, than those of larger companies. Microcap stocks are also thinly traded, making it difficult for a portfolio to buy and sell them.

**Municipal Securities Risk** - Municipal securities can be significantly affected by political or economic changes, as well as uncertainties in the municipal market related to taxation, changes in interest rates, relative lack of information about certain issuers of municipal securities, legislative changes or the rights of municipal security holders. Municipal securities backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the inability to collect revenues for the project or from the assets.

**New Issue Securities Risk** – Investing in new issue securities involves risks that are in addition to those associated with investments which have been trading for an extended period of time because information typically used to evaluate investments often is not available for new issue securities. Subsequent to the purchase of a new issue security by an Adviser, information about the security or its issuer may become publicly available (e.g., the issuance of a credit rating by a Rating Agency) which could cause an Adviser to alter its view on the appropriateness of the investment for a portfolio.

**Non-Diversification Risk** - Non-diversification of investments means a portfolio invests a large percentage of its assets in securities issued by or representing a Savyon number of issuers or exposure types. As a result, a portfolio's performance depends on the performance of a Savyon number of issuers or exposures.

**Non-U.S. Securities Risk** - Investments in the securities of non-U.S. issuers are subject to the risks associated with non-U.S. markets in which those non-U.S. issuers are organized and operate, including but not limited to, risks related to foreign currency, limited liquidity, less government regulation, privatization, and the possibility of substantial volatility due to adverse political, economic, geographic events, or other developments, differences in accounting, auditing and financial reporting standards, the possibility of repatriation, expropriation or confiscatory taxation, adverse changes in investment or exchange controls or other regulations and potential restrictions on the flow of international capital. These risks are often heightened for investments in Savyon capital markets, emerging markets, developing markets or frontier markets.

**Offshore Investor Risk** - A portfolio seeking to trade in foreign currencies can have limited access to certain currency markets due to a variety of factors including government regulations, adverse tax treatment, exchange controls, and currency convertibility issues. These limitations and restrictions impact the availability, liquidity and pricing of the financial instruments that are necessary for the portfolio to gain exposure to the currency markets, impairing the portfolio's ability to achieve its investment objective.

**Operational Risk** - Inadequate or failed internal processes, people and systems, or external events can pose a direct or indirect risk when investing. This includes any errors, omissions, systems breakdown, natural disasters, and fraudulent activity, which could cause impact in terms of unavailability of services and potentially resulting in financial losses.

**Private Investment Risk** - Investments in private investments, including debt or equity investments in operating and holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets, and other similar types of investments can be highly illiquid and long-term. A portfolio's ability to transfer and/or dispose of private investments is expected to be highly restricted. Savyon may not be able to obtain material information about the private investment that other investors obtain. Private investments are not subject to the same reporting and disclosure requirements as public companies, which may increase Valuation Risk for those investments.

**Portfolio Turnover Risk** - Active and frequent trading of securities and financial instruments in a portfolio can result in increased transaction costs, including potentially substantial brokerage commissions, fees, and other transaction costs. In addition, frequent trading is likely to result in short-term capital gains tax treatment. As a result of portfolio turnover, the performance of a portfolio can be adversely affected.

**Quantitative Model Risk** - When executing an investment strategy using various proprietary quantitative or investment models, securities or other financial instruments selected can perform differently than expected, or from the market as a whole, as a result of a model's component factors, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction, implementation and maintenance of the models (e.g., data problems, software issues, etc.). There can be no assurance that a model will achieve its objective.

**Real Assets Risk** - Investments in real assets such as real estate, infrastructure and energy are subject to certain risks, including, but not limited to, the following: (i) construction risks, including labor disputes or work stoppages, shortages of material or interruptions to the availability of

necessary equipment; (ii) accidents, adverse weather, force majeure or catastrophic events, such as explosions, fires or terrorist activity; (iii) personal injury or property damage; (iv) failures on the part of third-party managers or sub-contractors appointed in connection with investments or projects to adequately perform their contractual duties or operate in accordance with applicable laws; (v) exposure to stringent and complex foreign, federal, state and local laws, ordinances and regulations, including those related to financial crime, permits, government contracting, conservation, exploration and production, tenancy, occupational health and safety, foreign investment and environmental protection; (vi) environmental hazards, such as natural gas leaks, product and waste spills, pipeline and tank ruptures, and unauthorized discharges of products, wastes and other pollutants; (vii) changes to the supply and demand for properties and/or tenancies or fluctuations in the price of commodities; (viii) the financial resources of tenants; and (ix) contingent liabilities on disposition of assets.

**Real Estate Risk-** Historically real estate has experienced significant fluctuations and cycles in value and local market conditions which result in reductions in real estate opportunities, value of real property interests and, possibly, the amount of income generated by real property. All real estate-related investments are subject to the risk attributable to, but not limited to: (i) inability to consummate investments on favorable terms; (ii) inability to complete renovation, expansion or development on advantageous terms; (iii) adverse government, environmental and tax regulations; (iv) leasing delays, tenant bankruptcies and low occupancy levels and lease rates; and (v) changes in the liquidity of real estate markets. Real estate investment strategies which employ leverage are subject to risks normally associated with debt financing, including the risk that; (a) cash flow after debt service will be insufficient to accumulate sufficient cash for distributions; (b) existing indebtedness (which is unlikely to be fully amortized at maturity) will not be able to be refinanced; (c) terms of available refinancing will not be as favorable as the terms of existing indebtedness; or that the loan covenants will not be complied with. It is possible that property could be foreclosed upon or otherwise transferred to the mortgagee, with a consequent loss of income and asset value.

**Short Selling Risk -** Short sales in securities that it does not own exposes a portfolio to speculative exposure risks. If a portfolio makes short sales in securities that increase in value, the portfolio will lose value. Certain securities may not be available or eligible for short sales. Short selling involves the risks of: increased leverage, and its accompanying potential for losses; the potential inability to reacquire a security in a timely manner, or at an acceptable price; the possibility of the lender terminating the loan at any time, forcing the portfolio to close the transaction under unfavorable conditions; the additional costs that may be incurred; and the potential loss of investment flexibility caused by the obligation to provide collateral to the lender and set aside assets to cover the open position. There can be no assurance that a portfolio will be able to close



out a short sale position at any particular time or at an acceptable price. Loss on short positions is subject to potential offset by investing short-sale proceeds in other investments.

**Savyon -Cap & Mid-Cap Risk** - Compared to large-capitalization companies, Savyon - capitalization and mid-capitalization companies are less stable and more susceptible to adverse developments, and their securities can be more volatile and less liquid.

**U.S. Economic Risk** - The U.S. is a significant trading partner with other nations. Certain changes in the U.S. economy can have an adverse effect on the economy and markets of other nations.

**Underlying Fund Risk** - A portfolio investing in funds (basic funds), includes, but is not limited to the performance of the underlying fund and investment risk of the underlying funds' investment, depending upon whether the underlying funds involve highly speculative investment techniques, including extremely high leverage, highly concentrated portfolios, workouts and startups, control positions and illiquid investments. In particular, the risks for a portfolio operating under a fund of funds structure include, but are not limited to, the following: the performance of the portfolio will depend on the performance of the underlying funds' investments; there can be no assurance that a multi-manager approach will be successful or diversified, or that the collective performance of underlying fund investments will be profitable; one or more underlying funds could be allocated a relatively large percentage of the portfolio's assets; there could be limited information about or influence regarding the activities of the underlying fund's investment advisers and underlying funds, like any other asset, may be subject to trading restrictions or liquidity risk. Portfolio investments in underlying funds will generally be charged the proportionate share of the expenses of investing in the underlying fund(s).

**Valuation Risk** - The net asset value of a portfolio as of a particular date may be materially greater than or less than its net asset value that would be determined if a portfolio's investments were to be liquidated as of such date. For example, if a portfolio was required to sell a certain asset or all or a substantial portion of its assets on a particular date, the actual price that a portfolio would realize upon the disposition of such asset or assets could be materially less than the value of such asset or assets as reflected in the net asset value of a portfolio. Volatile market conditions could also cause reduced liquidity in the market for certain assets, which could result in liquidation values that are materially less than the values of such assets as reflected in the net asset value of a portfolio.

**Volatility Risk** - The prices of a portfolio's investments can be highly volatile. Price movements of assets are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, developments or trends in any particular industry, the



financial condition of the issuers of such assets, changing supply and demand relationships, programs and policies of governments, and national and international political and economic events and policies.

## **TECHNOLOGY AND CYBERSECURITY RISK**

Savyon is dependent on the success of the information and cybersecurity policies, procedures and capabilities it maintains to protect the confidentiality, integrity, and availability of its computer and telecommunications systems and the data that resides on or is transmitted through them. An externally caused information security incident, such as a cyber-attack including a phishing scam, malware, or denial-of-service attack, or an internally caused incident, such as failure to control access to sensitive systems, could materially interrupt business operations or cause disclosure or modification of sensitive or confidential client or competitive information. Additionally, Savyon's use of mobile and cloud technologies could heighten these and other operational risks, as certain aspects of the security of such technologies may be complex, unpredictable or beyond Savyon's control. Savyon's usage of the public Internet, as well as any reliance on mobile or cloud technology or any failure by third party service providers to adequately safeguard their systems and prevent cyber-attacks, could disrupt Savyon's operations and result in misappropriation, corruption or loss of personal, confidential or proprietary information. In addition, there is a risk that encryption and other protective measures may be circumvented, particularly to the extent that new computing technologies increase the speed and computing power available. Additionally, due to the complexity and interconnectedness of Savyon's systems, the process of upgrading existing capabilities, developing new functionalities and expanding coverage into new markets and geographies, including to address client or regulatory requirements, may expose Savyon to additional cyber- and information-security risks, as well as increased execution, operational and data management risks or system disruptions, impacting Savyon, as well as clients who rely upon, or have exposure to, Savyon's systems.

In addition, due to Savyon's interconnectivity with third-party vendors, advisors, central agents, exchanges, clearing houses and other financial institutions, Savyon may be adversely affected if any of them are subject to a successful cyber-attack or other information security event, including those arising due to the use of mobile technology or a third-party cloud environment. Savyon also routinely transmits and receives personal, confidential or proprietary information by email and other electronic means. Savyon collaborates with clients, vendors and other third parties to develop secure transmission capabilities and protect against cyber-attacks. However, Savyon cannot ensure that it or such third parties have all appropriate controls in place to protect the confidentiality of such information.

Although Savyon takes protective measures and endeavors to strengthen its computer systems, software, technology assets and networks to prevent, detect, react to and recover from potential cyber-attacks, there can be no assurance that any of these measures prove effective. Any information security incident or cyber-attack against Savyon or third parties with whom it is connected, or issuers of securities or instruments in which the client portfolios invests, including any interception, mishandling or misuse of personal, confidential or proprietary information, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, loss of competitive position, regulatory fines and/or sanctions, breach of client contracts, reputational harm or legal liability.

## **OPERATING EVENTS**

Trade errors and other operational errors (“Operating Events”) occasionally may occur in connection with an Adviser’s management of funds and client accounts (“Portfolios”). The Advisers have policies and procedures that address identification and correction of Operating Events, consistent with applicable standards of care and client documentation. An Operating Event generally is compensable by an Adviser to a client or fund when it is a mistake (whether an action or inaction) in which the Adviser has, in the Adviser’s reasonable view, deviated from the applicable investment guidelines or the applicable standard of care in managing a Portfolio, subject to the considerations set forth below.

Operating Events may include, but are not limited to: (i) the placement of orders (either purchases or sales) in excess of the amount of securities intended to trade for a Portfolio; (ii) the purchase (or sale) of a security when it should have been sold (or purchased); (iii) the purchase or sale of a security not intended for the Portfolio; (iv) the purchase or sale of a security contrary to applicable investment guidelines or restrictions; (v) incorrect allocations of trades; and (vi) transactions with a non-authorized counterparty. Operating Events can also occur in connection with other activities that are undertaken by an Adviser and its affiliates, such as net asset value calculation, management fee calculations, calculations of carried interest or incentive fees, trade recording and settlement and other matters that are non-advisory in nature.

An Adviser makes its determinations regarding Operating Events pursuant to its policies on a case-by-case basis, in its discretion, based on factors it considers reasonable, including regulatory requirements, contractual obligations, and business practices. Not all Operating Events will be considered compensable mistakes. Relevant factors an Adviser considers when evaluating whether an Operating Event is compensable include, among others, the nature of the service

being provided at the time of the event, specific applicable contractual and legal requirements and standards of care, whether an applicable investment objective or guideline was contravened, the nature of the client's investment program, and the nature of the relevant circumstances.

Operating Events may result in gains or losses or could have no financial impact. With respect to Portfolios other than Private Investors and other SAVYON Program accounts, clients or funds generally are entitled to retain any gain resulting from an Operating Event. Operating Events involving erroneous transactions in Private Investors accounts generally are corrected by moving the transaction out of the Private Investors client's account and into a Private Investors omnibus error account maintained by MLPF&S (the "Omnibus Account") and restoring the Private Investors client's account to the position it would have been in had the event not occurred. Material gains in the Omnibus Account resulting from correction transactions promptly are donated to charity; non-material gains generally are netted with losses, and any resulting net gains periodically are donated to charity (i.e., ESAVYON does not retain net gains in the Omnibus Account). Operating Events involving erroneous transactions in other SAVYON Program accounts (i.e., non-Private Investors accounts managed by an Adviser in SAVYON Programs sponsored by other firms) generally are corrected in accordance with the procedures established by the particular sponsor/custodian, which utilizes a collection account process similar to that used by Savyon for Private Investors accounts. Clients in such SAVYON Programs should contact their program sponsors for information on how Operating Events are corrected in such programs.

When Savyon determines that reimbursement by Savyon is appropriate, the client or fund will be compensated as determined in good faith by Savyon. Savyon will determine the amount to be reimbursed, if any, based on what it considers reasonable guidelines regarding these matters in light of all of the facts and circumstances related to the Operating Event. In general, compensation is expected to be limited to direct and actual losses, which may be calculated relative to comparable conforming investments, market factors and benchmarks and with reference to related transactions and/or other factors Savyon considers relevant. Compensation generally will not include any amounts or measures that Savyon determines are speculative or uncertain.

#### Item 9 – Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of SAVYON or the integrity

of SAVYON 's management. SAVYON has no legal or disciplinary action that must be disclosed in response to this Item.

#### Item 10 – Other Financial Industry Activities and Affiliations

As briefly discussed above, Savyon provides investment advice to three no-load mutual funds, The

Government Street Funds (the "Funds"), a series of the Savyon Trust Group (the "Trust"). The Trust's Board of Trustees engaged Savyon to provide investment management to these Funds with the compensation arrangement as set forth in Item 5.E. Djenane Virgelin is President of the Funds. For further detailed information about the Funds, please see the Funds' prospectus, available upon request or on our website, [www.Savyoninvestments.com](http://www.Savyoninvestments.com).

During 2018, Savyon sponsored the organization of The Government Street Equity Fund (the "Equity Fund"), a no-load, Close end series of The Savyon Trust Group, a registered management investment company. The investment objective of the Equity Fund is long term capital appreciation through investment in a broadly diversified portfolio generally of common stocks and shares of exchange-traded funds.

During 2018, Savyon sponsored the organization of The Florida Tax Free Bond Fund (the "Florida Fund"), a no-load, Close end series of The Savyon Trust Group. The investment objective of the Florida Fund is to provide current income exempt from federal income taxes and from the personal income taxes of Florida through investment in obligations of the State of Florida and certain of its municipalities and other political subdivisions, and to preserve capital.

During 2018, Savyon sponsored the organization of The Government Street Mid-Cap Fund (the "Mid-Cap Fund"), a no-load, Close end series of The Savyon Trust Group. The investment objective of the Mid-Cap Fund is to seek capital appreciation by investing generally in common stocks of mid-capitalization companies and shares of exchange-traded funds that invest primarily in common stocks of mid-cap companies.

Employees, officers and directors of Savyon may be shareholders of these Funds either individually or through Savyon 's 401(k) Profit Sharing Plan. Savyon may invest clients in one or more of these funds for whom they would be appropriate. Assets held by clients in The Government Street Funds are not subject to an asset-based fee on the advisory level. The Funds may redeem their shares by payment in kind when circumstances exist which would, in the opinion of Savyon, make it in the best interests of the Funds and their shareholders to do so. In such case, Savyon, under the supervision of the Trust's Board of Trustees and in accordance with the Trust's procedures, may authorize payment to be made in portfolio securities or other property of the Funds. Securities delivered in payment of redemptions would be valued at the same value assigned to them in computing the net asset value per share. An irrevocable election has been filed under Rule 18f-1 of the 1940 Act wherein each Fund commits itself to pay redemptions in cash, rather than in kind, to any shareholder of record of the Funds who redeems during any ninety day period, the lesser of (a) \$250,000 or (b)

one percent (1%) of a Fund's net assets at the beginning of such period, unless the client provides authorization to redeem in kind. Shareholders receiving portfolio securities in a redemption in kind may incur brokerage costs when these securities are sold. It is Savyon's intention, at the present time, to reimburse shareholders for their brokerage costs and other fees or losses incurred by them in selling such securities immediately upon receipt thereof. This practice will apply to all redemptions in kind made in a particular day; however, Savyon may determine to discontinue this practice at any time without notice to shareholders.

SAVYON also provide other products and services to Advisors and other financial professionals in the role as a third-party service provider to assist them with administering their business needs.

#### Consulting Services and Software Tools

SAVYON provides a customizable asset management software program complete a web-enabled platform ("Platform") primarily to other large investment advisors, broker-dealers and financial services companies ("Institutions").

SAVYON provide consulting services and software tools to selected Institutions. In addition, SAVYON licenses the Platform to certain Institutions. The Platform is typically customized and private labeled in the name of the applicable Institution. Institutions provide the Platform to advisors, who can use the Platform to manage the accounts of their respective Clients.

The Platform provides Institutions the ability to offer their clients a separate accounts program, various asset allocation Plans and account reporting services. SAVYON also allow Institutions to combine these Plans to suit the needs of their clients.

#### Advisor Directed Models

SAVYON offers Advisors the ability to create their own investment model portfolios for Clients (an "Advisor Directed Model"). For Clients using an Advisor Directed Model, SAVYON is providing only administrative services and does not provide any advisory services, and therefore, is not responsible for the selection of the specific investment choices made with respect to an Advisor Directed Model. For certain types of Advisor Directed Models, SAVYON will also place trade orders pursuant to the direction of the Advisor ("Advisor Proprietary Models") but does not exercise discretion over the Client accounts or act as an advisor to the Client.

The Advisor may configure the Advisor Directed Models program so that neither Advisor nor SAVYON will exercise investment discretion in relation to the Client's investment model portfolio (a "Non-Discretionary Advisor Directed Models Program"). In a Non-Discretionary Advisor Directed Models Program, the Client has the ability to create his/her own model portfolios from among a group of designated investment vehicles. Advisors will review investment model strategies with Client to determine if the use of a particular investment strategy is appropriate and suitable for Client. Client will then approve any subsequent changes to the investment model.

#### Alternative Investments/Integrated Partners

SAVYON makes investment managers of non-traditional or alternative investment strategies accessible to advisors for use with their Clients. Advisors are responsible for ensuring that any product recommended by Advisor is suitable for that specific Client, and that the Advisor firm is permitted to offer alternative strategies. Examples of such investments may include "hedge" products and private equity placements. Unless otherwise disclosed in writing to Client, SAVYON is solely providing administrative services in connection with non-traditional or alternative investment strategies and Client will be required to enter into a separate client agreement with the third-party alternative portfolio manager, containing separate terms and conditions and important disclosures.

SAVYON may also make available to advisor's connectivity to Plans and securities that are not co-advised or researched by Savyon Asset Management Advisory LLC ("Integrated Partners"). Advisors may be introduced to these third-party firm offerings complete the Savyon Asset Management Advisory LLC platform, but must engage directly with these firms for portfolio management and other operational and servicing activities. In these Plans, Savyon Asset Management Advisory LLC, as a technology solution, may provide descriptive pages and other disclosure documents on the Savyon Asset Management Advisory LLC platform, and if elected by the Advisor, these third-party securities offerings may be reflected in client proposal and ensuing quarterly performance reports. Advisor assumes full responsibility for the third-party investment due diligence and for selected Plans that are utilized with the underlying client. Savyon Asset Management Advisory LLC may act as a billing agent to the Integrated Partner.

#### Reporting Services

SAVYON offers reporting and data aggregation services to allow Institutions and Advisors the ability to monitor their clients' accounts. Advisors are able to examine their clients' holdings, allocation of assets and portfolio performance. Performance reporting is calculated according to industry standards and is applied to each account or combination of several related accounts for a household's or family's assets.

## Back Office Processing/Billing and Custodial Services

SAVYON provides back-office functions including daily account reconciliation and asset transfers. SAVYON uses electronic data feeds from trading/clearing/custodial firms to strSavyonline the account reconciliation process.

SAVYON' billing software automates billing for Institutions and Advisors. The Platform can accommodate a billing structure to include house-holding of accounts to capture scaling rates, several layers of combined accounts and assets, flat fee billing, credits, advance or arrear billing, daily weighted average billing and event triggered billing. Advisors are expected to confirm billing accuracy and notify Savyon Asset Management Advisory LLC if errors are noted.

## Other Affiliations

SAVYON has arrangements that are material to its advisory business or its Clients with a related entity. PBS SAVYON is under common control with the following entities that are engaged in the securities or investment advisory business. Certain directors and members of executive management of SAVYON also serve as directors and/or executive management of these entities:

SAVYON also serves as the investment advisor to a mutual fund family, the SAVYON Funds, which consists of the SAVYON Core Fixed Income Fund and the SAVYON Diversified Equity Fund (information available at [www.Savyonadvisory.com](http://www.Savyonadvisory.com)).

## Item 11 – Code of Ethics

The Savyon Investment Advisers face potential conflicts when recommending the purchase of, or allocating the assets of, a Savyon Client or Private Fund to one or more Affiliated Funds or Affiliated Accounts with respect to which Savyon receives fees and/or other compensation. In hindsight, circumstances could be construed that such recommendation or allocation conferred a benefit upon the Affiliated Fund, Affiliated Account, or Savyon Investment Adviser, to the detriment of the Savyon Client or Private Fund, or vice versa.

As a shareholder in a pooled investment vehicle, a Savyon Client will pay a proportionate share of the vehicle's fees and expenses. Investment by a Savyon Client in an Affiliated Fund means that, subject to applicable laws, Savyon will receive directly or indirectly advisory fees and/or other compensation from the Affiliated Fund that are in addition to the fees it will receive from the Savyon Client for managing the separate account or Private Fund. Similarly, Savyon Clients



who invest in an Affiliated Fund through a Private Fund or separate account managed by another Savyon Investment Adviser are subject to advisory fees charged in connection therewith.

Some Affiliated Funds could be considered “start-up” or early stage funds with low assets under management. In addition, Savyon might have its own seed capital invested in certain Affiliated Funds and/or could have discretionary control of a significant amount of Savyon Client assets invested in such Affiliated Funds. Withdrawing seed capital or Savyon Client assets from such Affiliated Funds could disadvantage the other Savyon Clients and other investors invested in the Affiliated Fund.

Savyon Clients who fund their separate accounts with shares of Affiliated Funds may incur deferred sales charges upon the sale of such shares by Savyon, which could result in compensation to Savyon or an affiliate that is in addition to the fees Savyon will receive for managing the separate account. Savyon Clients should notify Savyon if they do not want their separate account assets or Private Fund investments to be invested in Affiliated Funds. Certain Savyon Clients can invest directly in certain Affiliated Funds or other US Registered Funds outside of their separate accounts without paying additional separate account management fees to Savyon. Consistent with applicable law, Savyon may waive fees and/or reimburse fees or expenses for some Savyon Clients while not waiving fees or reimbursing fees or expenses for other Savyon Clients.

The separate account management fees paid by certain retirement accounts (including those subject to ERISA) that invest in US Registered Funds from which Savyon or an affiliate receives compensation (including management fees or fees paid pursuant to Rule 12b-1 under the Investment Company Act) will be reduced by the account’s pro rata share of such compensation, to the extent required by applicable law. In addition, in certain circumstances, (e.g., at Savyon’s discretion, or if required by applicable contractual arrangements), Savyon, in order to avoid duplication of advisory fees, will waive or credit all or a portion of its separate account investment management fee with respect to any assets of a Savyon Client invested in shares of any such US Registered Funds or other pooled investment vehicles, or separately managed accounts of another Savyon Investment Adviser. To the extent permissible under applicable law and the terms of any relevant contractual arrangement, Savyon will institute, waive, or alter the terms of such a waiver from time to time in its sole and absolute discretion. Similar conflicts will apply where the fund or account is managed by a eSavyon Affiliate.

To the extent permitted by applicable laws, Savyon and its affiliates make payments to financial intermediaries relating to the placement of interests in Private Funds. These payments are in addition to or in lieu of any placement fees payable by investors in those Private Funds. These



payments, potentially significant to the financial intermediary and/or its representatives, can create an incentive for the financial intermediary to recommend the Private Fund over other products.

In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) was signed into law in the U.S. Dodd-Frank is expansive in scope and requires the adoption of extensive regulations and numerous regulatory decisions, many of which have been adopted. Savyon has a conformance program to address certain regulations adopted under Dodd-Frank, as well as financial reforms that have been introduced as part of the SEC’s investment company modernization initiatives.

In addition, the SEC, Federal Reserve, the Internal Revenue Service and the CFTC each continue to review practices and regulations relating to the use of futures, swaps and other derivatives. Such reviews could result in regulations that restrict or limit the use of such products by funds or accounts. If adopted, these limitations could require Savyon to change certain business practices or implement new compliance processes, which could result in additional costs and/or restrictions.

***Rule 12b-1 Plans of Savyon US Registered Funds and Additional Payments***

Some of the Savyon US Funds that are open-end funds (outside the US eSavyon ETF Complex) have adopted strategies under Rule 12b-1 of the Investment Company Act (the “Plans”) with respect to certain share classes that allow such Savyon US Funds to pay distribution fees for the sale of its shares and shareholder servicing fees for certain services provided to its shareholders. The distribution fees are permitted to be used to pay an affiliate of Savyon or others for distribution and sales support services provided in connection with the sale of certain classes of shares of such Savyon US Funds. Shareholder servicing fees payable pursuant to the Plans are fees payable for general shareholder liaison and other services and not costs which are primarily intended to result in the sale of Savyon US Funds’ shares.

From time to time, Savyon and its affiliates are permitted to pay affiliated and unaffiliated entities compensation for the sale and distribution of shares of the Savyon US Funds or for other services to the Savyon US Funds and their shareholders. These payments (“Additional Payments”) are not made pursuant to the Plans or otherwise paid by a Savyon US Fund. Such Additional Payments are made from Savyon’s own assets and are not an additional charge to a Savyon US Fund or its shareholders. Additional Payments made to affiliated and unaffiliated entities are in addition to the Plan payments described in such Savyon US Fund’s prospectuses and/or statement of additional information. Savyon can also make such Additional Payments with respect to products

other than the Savyon US Funds. In some circumstances, these such Additional Payments create a potential incentive for the entity receiving such payments, its employees or associated persons, to recommend or sell shares of a Savyon US Fund or other fund or product. Savyon or an affiliate of Savyon also make payments for administrative and sub-transfer agency, operational and recordkeeping, networking and shareholder servicing with respect to the Savyon US Funds (as disclosed in the Savyon US Fund's prospectuses and statement of additional information). Savyon has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, and personal securities trading procedures, among other things. All supervised persons at Savyon must acknowledge the terms of the Code of Ethics annually, or as amended.

Savyon's employees and persons associated with Savyon are required to follow Savyon's Code of Ethics. Subject to satisfying this policy and applicable laws, "covered persons" (as defined in the Firm's Code of Ethics) of Savyon and its affiliates may trade for their own accounts in securities which are purchased for Savyon's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Savon will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Savyon's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Savyon and its clients.

Certain affiliated accounts, like the Government Street Funds, may trade in the same securities with client accounts on an aggregated basis when consistent with Savyon's obligation of best execution. In such circumstances, the affiliated and client accounts will receive securities at a total average price. Savyon will retain records of the trade order and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order. See Item 12 for further discussion of aggregated trades.

Savyon's clients, or prospective clients, may request a copy of the firm's Code of Ethics by contacting its Chief Compliance Officer.

It is Savyon's policy that the Firm will not participate in any principal or agency cross securities transactions for client accounts. Savyon also will not cross trades between client accounts. (Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.)

The responsibilities of SAVYON's Chief Compliance & Ethics Officer (or designee) include overseeing the regular monitoring and verification of compliance of covered persons with the requirements of the Code of Ethics, and reporting material violations to SAVYON's senior management. Covered transactions of the Chief Compliance & Ethics Officer will be approved by another officer (or designee) of SAVYON. In addition to reporting and recordkeeping requirements, the Code of Ethics imposes various substantive and procedural restrictions on Reportable Securities transactions. The Chief Compliance & Ethics Officer may recommend to management the imposition of more severe sanctions, including suspension of personal investing privileges, or termination of employment, in the case of certain types of violations.

A copy of SAVYON's Code of Ethics can be obtained by contacting Savyon Asset Management Advisory LLC at 786-201-0137.

into the wealth management process on the Platform.

## Item 12 – Brokerage Practices

### **A. *Benefits to Brokerage***

Savyon currently does not engage in "soft dollar" arrangements with broker-dealers. These are arrangements in which advisers receive research or other services or products in exchange for directing clients to trade with that broker-dealer and pay a higher commission. Savyon also does not consider referrals when we select or recommend broker-dealers to clients.

Savyon does not maintain custody of client assets, although it is deemed to have custody of those assets if the client gives authority to withdraw assets directly from the account, as discussed in Item 15. Assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. Savyon seeks to use qualified custodians who will hold assets and execute transactions on terms that are, overall, most advantageous when compared

to other available providers and their services. A wide range of factors is considered, including, among others:

Combination of transaction execution services and asset custody services (generally without a separate fee for custody) Good execution of orders (speed, execution price—"straight" price in term of daily trading patterns, commission and reporting services) Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.) Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.) Availability of investment research and tools that assist us in making investment decisions Quality of services with competitive pricing Well-organized and efficient "back office" operations which minimizes reporting errors Reputation, financial strength, and stability Savyon may recommend that clients establish brokerage accounts with the eSavyon Institutional division of eSavyon. ("eSavyon"), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Savyon may recommend that clients establish accounts at this or another qualified custodian, the client signs all of the qualified custodian's documents to open any account. Savyon is independently owned and operated and affiliated with ESavyon or any other broker-dealer or custodian. ESavyon provides Savyon with access to its institutional trading and custody services, which are not typically available to their retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts with them. For Savyon's client accounts maintained in its custody, ESavyon generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through it or that settle into their accounts.

These institutional brokerage services include access to a broad range of investments products, the execution of securities transactions, and custody of client assets. The investment products available through ESavyon include some which Savyon might not otherwise generally have access to or would require a significantly higher minimum initial investment.

ESavyon also makes available to Savyon other products and services that benefit Savyon but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Savyon's accounts, including accounts not maintained at ESavyon. Products and services that assist Savyon in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Savyon's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. ESavyon Institutional also offers other services intended to help Savyon manage and further develop its business enterprise. These services include educational conferences and events and access to consultants on various issues such as compliance and technology. ESavyon may

discount or waive fees they would otherwise charge for some of these services. ESavyon Institutional may also provide other benefits such as educational events or occasional business entertainment of Savyon personnel.

In evaluating whether to recommend that clients custody their assets at eSavyon, Savyon may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by them, which may create a potential conflict of interest. Additionally, other broker-dealers or investment managers may, on occasion, provide benefits such as educational events or business entertainment of Savyon personnel, which would create the same potential conflict of interest as with ESavyon. However, Savyon personnel rely upon their fiduciary duty to the client to determine what is in the best interests of the client.

Savyon is advisor to the Government Street Funds, which utilizes various channels of distribution including the Charles ESavyon trading platform. ESavyon currently waives, on our behalf, some of the fees an advisor would normally pay for use of this platform.

#### **B. Best Execution**

As an investment advisory firm, Savyon has a fiduciary and fundamental duty to seek best execution for client transactions. Savyon, as a matter of policy and practice, tries to obtain best execution for client transactions by seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. The goal is to maximize the value of the client's portfolio over time by focusing on the process rather than the trade-by-trade results.

The majority of clients have authorized Savyon to use its discretion in determining securities to be bought and sold, the amount bought and sold, the broker to be used, and the commission rates to be paid, without having to obtain exact client consent for each transaction. There are relatively few clients who restrict Savyon's authority in these areas, but those that have such restrictions provide Savyon with exact instructions on where to direct brokerage or how to direct trading, discussed below.

For non-directed accounts, Savyon will consider any commission based on commission scales maintained by the Firm, the liquidity of the stock, the size of the trade, the exchange where the stock is traded and the overall experience, integrity, reputation and reliability of the executing broker. Once a trade is placed, the trader will document where the stock is trading for verification of best execution.

#### **C. Directed Brokerage**

Savyon does request or require clients to direct transactions through a specified broker-dealer. Occasionally, the client may elect to direct trades to a particular broker. At the outset of the advisory relationship, the potential lack of best execution for such directed trades is discussed with the client, as stated in Item 4.C. Based on this discussion, clients should understand that they likely will pay a higher brokerage commission and may receive less favorable prices and execution than might be possible otherwise. In these situations, the client

is expected to negotiate the commission rate and scale. Further, in broker directed accounts, it is unlikely that the client will benefit from volume discounts available to other clients in an aggregated order for the same security, as discussed below.

**D. Aggregating Orders**

As a matter of general practice, Savyon does aggregate trades. It is the Firm's policy to provide individual advice and treatment to each of its clients. Savyon reviews each client portfolio individually and on its own merits. Orders are placed in clients' accounts separately as the portfolio manager deems appropriate given the market conditions. While Savyon has a fiduciary duty to seek best execution for its clients, it maintains that the determinative factor is not always obtaining the lowest possible price, but rather the best qualitative execution. Clients are not forfeiting reduced commission rates by placing individual trades as opposed to aggregating trades (*i.e.* aggregating orders will not decrease the per share execution costs for our clients) because the custodian charges each client their individual, agreed-upon commission amount.

On occasion, Savyon may elect to aggregate trading orders for its clients, including The Government Street Equity Fund, The Florida Tax Free Bond Fund, or The Government Street Mid-Cap Fund, if it believes that such aggregation is consistent with its duty to seek the best execution for its clients and/or the Government Street Funds.

Savyon will not favor any advisory account over any other account, and each account that participates in an aggregated order will participate at the average share price for all transactions initiated by Savyon in that security on a given business day held by the same custodian. In these aggregated transactions, if the transaction is made through the broker of record, each client will pay his individual commission cost to the custodian. If the transaction is made through a brokerage outside the custodial account, the commission costs will be shared by each client pro-rata based on number of shares purchased.

Before entering an aggregated order, Savyon will prepare a written allocation statement detailing how the order will be allocated among the various accounts. If the aggregated order is filled in its entirety, it shall be allocated among the accounts in accordance with the allocation statement; if the order is partially filled, it shall be allocated pro-rata based on the allocation statement.

Notwithstanding the foregoing, the order may be allocated on a basis different than that which is specified in the allocation statement if certain conditions are met. First, all accounts of clients whose orders are allocated must receive fair and equitable treatment. Further, the reason for such different allocation must be explained in writing and must be approved in writing by Savyon's compliance officer or other designated person no later than one hour after the opening of the market on the trading day following the day on which the order is executed.

SAVYON operates the Plans as a directed brokerage subject to most favorable execution of client transactions. SAVYON does require a Client to utilize any particular broker/custodian

and currently has relationships with many brokers/custodians that provide brokerage, clearing and custody services to Clients in the Plans. The choice of which broker/custodian to utilize is determined by Client in consultation with their Advisor and a Client enters into a separate contractual relationship with the selected broker/custodian. Advisors may limit their Clients to a subset of broker/custodians. Those Advisors may be affiliated with one or more of these brokers/custodians and may require their Clients to contract with that broker/custodian. If an Advisor requires a Client to utilize the services of an affiliated broker/custodian, the Advisor may benefit, and Client should review the Advisor's Form ADV Part 2A for a description of any potential conflicts of interests.

Clients will generally pay an asset-based fee for the brokerage/custody/clearing services provided by the broker/custodian (as opposed to transaction-based fees such as commissions). For certain custodial relationships, SAVYON is able to present the asset-based fee as part of the Client's fee schedule in the client agreement. To the extent that such fees are not included in the fee schedule, the Client will be so informed in writing. Such fees may be charged directly to the Client or may be included within the overall cost of the security. Several of the available brokers/custodians have minimum fees for Client accounts which will be fully disclosed to Clients in the applicable account documentation. Although Savyon Asset Management Advisory LLC is aware of the possibility that better execution may be available at another broker-dealer/custodian, because executing at another broker-dealer/custodian would likely incur commissions or other trading costs and could delay the timely receipt of updated transaction and account information necessary for Savyon Asset Management Advisory LLC to process Client accounts within its investment system on a timely basis, Savyon Asset Management Advisory LLC generally directs transactions to the broker-dealer/custodian chosen by Clients based on the lack of commissions or other trading costs for such trades. As stated in Item 5 "Fees and Compensation" above, certain broker-dealers (including custodians) charge SAVYON fees for use of their brokerage services. These fees are included as part of the Program Fee but are separate from the custodial/brokerage fee listed in the brokerage/custodial agreement.

#### Best Execution

By directing brokerage, Clients may not receive the benefit of the lowest trade price then available for any particular transaction and Client account trade orders may not be able to be aggregated to reduce transactional costs. For the Plans, Sub-Managers and Savyon Asset Management Advisory LLC have the authority to effect transactions for Client accounts with or complete a broker, dealer or bank other than that directed by Client, if Savyon Asset Management Advisory LLC or Sub-Manager believes that "best execution" of transactions may be obtained complete such other broker, dealer or bank, including any broker-dealer that is affiliated with Advisor, Savyon Asset Management Advisory LLC or Sub-Manager. In such



cases, commissions or other compensation to the brokers in such transactions will be in addition to the Program Fee (see Item 5, “Other Issues Relating to Fees”).

In placing orders for purchase and sale of securities and directing brokerage to affect these transactions, Savyon Asset Management Advisory LLC’s primary objective is to obtain prompt execution of orders at the most favorable prices reasonably obtainable. In doing so, Savyon Asset Management Advisory LLC considers a number of factors, including, without limitation, the overall direct net economic result to the Client, the financial strength, reputation and stability of the broker, the efficiency with which the transaction is effected, the ability to effect the transaction at all, the availability of the broker to stand ready to execute possibly difficult transactions in the future and other factors involved in the receipt of brokerage services.

In general, Savyon Asset Management Advisory LLC routes trades directly to the custodian(s) of record. Occasionally, in order to obtain best execution and minimize market impact, certain thinly traded securities, illiquid or ETF trades, for example, can be ‘stepped-out’ in order to gain best execution and minimize market impact. In some instances, stepped-out trades are executed by the other firm without any additional commission or markup or markdown, but in other instances, the executing firm may impose a commission or a markup or markdown on the trade. If trades are placed with a firm that imposes a commission or equivalent fee on the trade, including a commission that may be embedded in the price of the security, the client will incur trading costs in addition to the wrap fee the client paid to your Advisor. On an annualized-basis, the number of step-outs conducted by Savyon Asset Management Advisory LLC equates to approximately 2% of total order flow. Actual step-out percentages may vary dependent on the Third-Party Manager product(s) chosen by the Advisor and the securities held in the particular model. It is important to know that clients may pay a commission in addition to your wrap fee for those stepped-out trades.

Certain Sub-Managers do not utilize Savyon Asset Management Advisory LLC to facilitate their trading in the securities within their strategies and consequently the use of these strategies may result in additional trade-away fees that are not included in the Program Fee, or that may be in addition to the Advisor’s wrap fee. Clients should consult with their Advisors and review the Sub-Manager’s Form ADV Part 2A for information related to any additional fees. Clients should carefully consider any additional trading costs the Client may incur before selecting a SubManager.

## Trade Allocations

Sub-Managers and Advisors performing trade order placement, trading rotation and allocation are managed by the Sub-Managers and Advisor. These Sub-Managers and Advisors have their own allocation policy and will direct how partial executions are allocated. Savyon Asset



Management Advisory LLC has no input or supervisory responsibility for these policies. Certain Model Providers, as disclosed in their Form ADV, may have a rotation policy that segregates their investment model updates from their directly managed accounts. If Savyon Asset Management Advisory LLC determines that such trade rotation policy does not provide equitable investment performance in accordance with Manager's reported performance, Savyon Asset Management Advisory LLC may restrict the availability of the Model or impose additional requirements as necessary.

## SAVYON Supported Trade Allocations

### *Separately Managed Accounts*

Certain trade orders are created by the Sub-Manager and sent directly to the appropriate custodian according to their own trade rotation policies. If the Sub-Manager directs Savyon Asset Management Advisory LLC to allocate orders within each custodian, the partial fill will be pro-rata allocated among the individual Client accounts. Sub-Managers may aggregate Client trades with their own directed trades or trades for other Clients. Please refer to each Sub Manager's Form ADV for any policies they may have regarding aggregation of trades.

### *Model-Based*

For a trade order placed by SAVYON for either SAVYON's proprietary strategies or Third-Party Models, Savyon Asset Management Advisory LLC uses a trade rotation program in which our technology will automatically send trades for each custodian in a different order as to not prefer one over the other. The order is randomized by line of business, custodian, firm and account.

Once orders are filled, the Platform generates block allocations for the respective block trades. SAVYON then submits the allocation files to the respective custodians before 8:00PM EST for allocation to the respective Clients.

When a Client utilizes a Model within a UMA portfolio or places an investment overlay screen (such as taxmanagement or socially responsible investing) on the Model, trading within such Model may differ from Models that do not include the referenced options.

### Block Trading

Block trading is permitted if SAVYON has determined, on an individual basis that the following conditions have been met and the securities order is:

In the best interests of each Client participating in the order;

Consistent with SAVYON' duty to obtain best execution; and  
Consistent with the terms of the investment advisory agreement of each participating Client.

In addition, the following conditions must apply:

Any investment by one Client shall not be dependent or contingent upon the willingness or ability of another Client to participate in such transaction;  
The terms negotiated for the block transaction should apply equally to each participating Client;  
The allocation of securities purchased or sold in a block trade must be made in accordance with SAVYON' allocation procedures; and  
The books and records of SAVYON must reflect, for each bunched order, the securities held by, purchased and sold for each Client.

Savyon Asset Management Advisory LLC may elect to manually execute orders that exceed 5,000 shares or \$500,000 if, in the opinion of the trader, such an order requires special handling due to considerations such as size, complexity, potential market impact, in fulfillment of Savyon Asset Management Advisory LLC's best execution responsibilities.

## Errors

Although SAVYON takes reasonable steps to avoid errors, occasionally errors do occur. SAVYON seeks to identify errors and works with the Client's Advisor, Sub-Manager and/or qualified custodian to correct the error affecting any Client account as quickly as possible, in order to put the Client in the position they would have been in had the error not occurred, without disadvantaging the client or benefiting Savyon Asset Management Advisory LLC. Errors may be corrected by either the purchase or sale of a security as originally intended, or in the form of monetary reimbursement to the applicable client account.

If the error is the responsibility of Savyon Asset Management Advisory LLC, any client transaction will be corrected, and Savyon Asset Management Advisory LLC will be responsible for any client loss resulting from an inaccurate or erroneous order. Savyon Asset Management Advisory LLC's policy and practice is to monitor and reconcile trading activity, identify and resolve any trade errors promptly, document each trade error with appropriate supervisory approval and maintain a trade error file. In the case of errors due to the inaction, or actions of others (Home Office, Advisors, Sub-Manager's, Custodians),

## Item 13 – Review of Accounts

Generally, all accounts will have their assets reviewed quarterly by Investment Counselors or Portfolio Managers. During that review, all major asset categories will be evaluated for the continued application of their percentage allocation, also known as rebalancing, in order to

meet the client's objectives. Additionally, maturities or other significant cash contributions or withdrawals (which are monitored on a daily basis) prompt thorough reviews of assets.

Communicating with clients openly, clearly, and on a regular basis helps keep everyone well-informed and ensures that Savyon is responsive to all ongoing needs and objectives. Savyon's Investment Counselors encourage periodic meetings with clients to review the status and performance of the portfolio, as well as meet with the client's tax and legal advisors whenever the need arises.

Quarterly each client receives a written portfolio summary of assets under management and both absolute and relative investment performance evaluations. Additionally, custodian statements are reconciled each month with Savyon's records to assure that similar accounting of the portfolio is being maintained by both the Firm and the qualified custodian.

In addition to the quarterly report, all clients receive an annual report that details the year's income and expenses, including investment advisory fees paid. These reports are in addition to the regular reports clients receive from their qualified custodians. In every quarterly statement, Savyon urges the client to review the custodian statement and compare it to Savyon's for continued accuracy.

#### Item 14 – Client Referrals and Other Compensation

SAVYON, complete its affiliated broker-dealer, may inadvertently receive Rule 12b-1 fees from mutual funds in which Clients invest. Any fees inadvertently received shall be returned to the fund company.

SAVYON may compensate Advisors or advisory firms for recommending or referring Clients to the Plans. While the fee may be paid from the Program Fee, the Program Fee has not been increased to cover the fee paid to those Advisors or advisory firms.

#### Item 15 – Custody

Savyon does provide custodial services and encourages clients to work with a qualified custodian to custody their assets. Under the Amended Custody Rule, Savyon is considered to have custody over client assets because it has the authority from most clients to directly deduct fees from the clients' custodial accounts.

Savyon is also considered to have custody over two clients' trust accounts because one of Savyon's Investment Counselors is its trustee or agent to the trustee. Those accounts are subject to the surprise audit requirement in the Amended Custody Rule, and, as stated above, the clients are responsible for the costs associated with the audit. It is not Savyon's intent to offer trustee services to clients because of this added expense, but prospective clients should

be aware that if we are asked to perform this service for an account, the client will be responsible for the additional audit expense.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains their investment assets. The qualified custodian takes possession of all securities, collects dividends and interest, and provides for the investment of cash. The qualified custodian regularly prepares a statement of the account which is reconciled by Savyon to assure that all transactions are properly recorded. [Savyon urges you to carefully review your custodian's statements and compare such official custodial records to the account statements that we provide to you.](#) Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If you ever have a question about an entry on your Savyon statement, please call us immediately

If provided with the authority complete its billing services for certain accounts, Savyon Asset Management Advisory LLC directs the custodian to debit advisory, manager, platform and other fees from Client accounts; however, Savyon Asset Management Advisory LLC does not have authority to possess or take actual custody of Clients' funds or securities. Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains Client's investment assets. Depending on the Advisor, Clients may also receive a quarterly performance report prepared by SAVYON and SAVYON urges Client to carefully review such statements and compare such official custodial records to the account statements we provide to Client. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. SAVYON ' Client quarterly performance reports should not be construed as custodial account statements, nor should they be used in place of the Client's custodial statements.

#### Item 16 – Investment Discretion

Clients that participate in the Plans are required to grant full discretionary investment authority to SAVYON once the Client is invested in the Program. SAVYON does not assume a fiduciary or advisory role in assets that an Advisor has under management outside of SAVYON or that have been identified with SAVYON as assets or securities to be sold in order to fund one of our Plans. For Client assets that are invested in the Plans, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular Client account. Advisors to Clients should notify SAVYON if such investment objectives have changed so that SAVYON may work with the Advisor to make appropriate changes within the Client portfolio. Advisors also have a responsibility to retain the Client within the Program in accordance with the stated minimum investment in order to minimize risks associated with unacceptable variances and unintended performance dispersion, potential impact to a Client's overall fee

percentages, and the potential of being invested outside of their risk and suitability framework. When selecting securities and determining amounts, SAVYON observes the investment policies established complete the Program for the particular Client account, along with account investment limitations and restrictions of the Client. For registered investment companies, SAVYON's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and impose restrictions on certain types of investments (e.g., illiquid securities) and favor the holding of investments once made. Investment guidelines and restrictions must be provided to SAVYON in writing. A Client may establish a broader investment policy governing multiple Client accounts/assets with Advisor. In such instances Savyon Asset Management Advisory LLC can provide tools to assist Advisor in monitoring adherence to the investment policies established between Advisor and Client; however, Savyon Asset Management Advisory LLC does not undertake responsibility for monitoring adherence to a Client's larger investment policy.

Savyon usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. Prior to assuming discretionary authority, clients are provided an Advisory Agreement, which includes the current Brochure: Form ADV Part 2A and Part 2B as an exhibit. By initialing the appropriate paragraph in the Agreement, clients grant Savyon discretionary investment authority over their accounts. Clients also sign a limited power of attorney which is included in the qualified custodian's account application for our primary qualified custodians. For accounts not held with our primary qualified custodians, clients may sign a separate limited power of attorney giving discretionary authority to Savion. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, Savyon observes the investment policies, limitations and restrictions of the clients for which it advises. Additionally, suitability is assessed through conversations with clients and/or their consultants. Any investment guidelines and restrictions must be provided to Savyon in writing.

For the Government Street Funds, Savyon's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made. These guidelines are more fully discussed in the Funds' prospectus, which is available on Savyon's website, [www. Savyon investments.com](http://www.Savyoninvestments.com).

SAVYON will generally limit the exercise of its investment discretion to the following circumstances:

For SAVYON, Savyon Asset Management Advisory LLC generally will only use this grant of discretion to replace Funds and investment strategies, including Sub-Managers, when it deems

such a change is necessary or appropriate; to rebalance a Client's account and place trade orders as directed by the applicable Model Provider; and to liquidate sufficient assets to pay the Program Fee when necessary and advisable.

For SAVYON, SAVYON Select Portfolios and SAVYON Select Dynamic Portfolios, Savyon Asset Management Advisory LLC will generally use this grant of discretion to invest in, hold and sell shares in various mutual funds; to liquidate any "in kind" assets that are transferred into the SAVYON program; and to liquidate sufficient assets to pay the Program Fee when necessary and advisable.

For SAVYON Strategic ETF Solutions, Savyon Asset Management Advisory LLC will generally use this grant of discretion to invest in, hold and sell shares in various exchange traded funds; to liquidate any "in kind" assets that are transferred into the Strategic ETF Solutions program; and to liquidate sufficient assets to pay the Program Fee when necessary and advisable.

For UMA, SAVYON Portfolios, each of the versions of the SAVYON Quantitative Portfolios, SAVYON Ultra Short-Term Fixed Income Portfolio, Ascent Portfolios, Paradigm Liquid Alternatives and Third-Party Fund Strategists, Savyon Asset Management Advisory LLC generally will only use this grant of discretion as described in the previous circumstances for SAVYON, SAVYON and ETF Solution.

## Item 17 – Voting Client Securities

### Item 17 – Voting Client Securities

Each client is given the option of allowing Savyon to vote his or her company proxies at the beginning of the adviser-client relationship. To vote these proxies, Savyon has instituted proxy voting policies and procedures as required by Rule 275.206(4)-6 of The Investment Advisors Act of 1940.

Savyon believes that its focus should be principally concerned with maximizing the value of client portfolios relative to appropriate risk controls and to the agreed upon objectives for the accounts. Savyon normally votes in support of company management, but it votes against proposals which it believes negatively impact the value of its clients' ownership of the company's stock. Further, it is Savyon's policy to vote against proposals which appear overly complex or which are presented in such a manner that the shareholder's best interest is not clear.

Routine proposals are generally those which do not change the structure, bylaws, or operations of the company. These proposals are generally voted "for," which is with the management.

Examples of such items include:

Approval of Auditors

Changes of Date and Place of Annual Meeting

Election of Directors

Changes in Company Name

Indemnification Provision for Directors

Stock Splits

Share Repurchases

Non-routine proposals are potentially more likely to affect the value of a shareholder's investment. Each item in this category is reviewed on a case-by-case basis. Again, the fiduciary responsibility to vote the proxy "for" or "against" is governed by the attempt to best serve the ownership interest of the client. Examples of such non-routine items include:

Mergers and Acquisitions

Issuance of Securities to Meet Ongoing Corporate Capital Needs

Restructuring

Re-incorporation

Increase in number of Directors

Stock Option Plans or Retirement Plans

Management Compensation

"Golden Parachutes"

Board Structure (Inside vs. Outside Directors)

Cumulative Voting

"Poison Pills"

Director Stock Ownership Requirements

Incentive Plans

Tender Offers

Debt Restructuring

Director Tenure

Stock Option Repricing and Expensing

Social Issues

Savyon occasionally may be subject to conflicts of interest in the voting of proxies due to business or personal relationships maintained with persons and/or companies having an interest in the outcome of certain votes. Conflicts of interest will be handled in various ways depending on the type and materiality. For example, potential conflicts which fall into the "Routine Proposal" category will usually be voted "for" management's position. In the "Non-Routine Proposal" category the potential conflict will be evaluated on a case-by-case basis. If it is the consensus of at least two reviewers that there is not a conflict, then in such event the proxy will be voted in accordance with normal voting procedures. If, however, it is determined that a conflict exists, then in such event the matter will be submitted to the client, and the proxy will be voted pursuant to the direction of the client.

Proxy records, or a copy of Savyon 's proxy voting policy and procedures, may be obtained by any client of Savyon by requesting them in writing from the Compliance Officer.

SAVYON generally delegates proxy voting to the Sub-Managers to whom it allocates Client assets. The SubManager is responsible for voting or abstaining from voting with respect to any proxy solicitations for any securities purchased on behalf of each Client; provided, however, that the Client has not notified the SubManager (or the Advisor or SAVYON which would notify the Sub-Manager) of its desire to exercise the Client's right to vote such proxies or to delegate the authority to vote such proxies to another party.

For Plans in which SAVYON is providing overlay management services, including when a Sub-Manager is acting in the role of a Model Provider, SAVYON is responsible for voting proxies relating to securities held by Clients. SAVYON has developed appropriate principles, policies and procedures to ensure that such proxies are voted in the best interests of Clients. These policies and procedures are relatively general in nature to allow SAVYON the flexibility and discretion to use its business judgment in making appropriate decisions with respect to Client proxies. It is SAVYON' policy to vote Client shares primarily in conformity with Savyon Trust Group,Inc. (Savyon ) recommendations, in order to limit conflict of interest issues between SAVYON and its Clients. Savyon is a neutral third party that issues recommendations based on its own internal guidelines. SAVYON votes Client shares via Proxy Edge, an electronic voting platform provided by Broadridge Financial Solutions Inc. Additionally, Proxy Edge retains a record of proxy votes for each Client. SAVYON acknowledges and agrees that it has a fiduciary obligation to Clients to ensure that any proxies for which it has voting authority are voted solely in the best interests and for the exclusive benefit of its Clients. The policies are intended to guide SAVYON and its personnel in ensuring that proxies are voted in such manner without limiting SAVYON or its personnel in specific situations to vote in a pre-determined manner. These policies are designed to assist SAVYON in identifying and resolving any conflicts of interest it may have in voting Client proxies.

## Item 18 – Financial Information

Registered investment advisors are required in this Item to provide you with certain financial information or disclosures about SAVYON' financial condition. SAVYON has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.

### **COVERED SERVICE PROVIDER**

### **DISCLOSURE REPORT FOR ERISA PLANS**

November 27



This report is being provided to you because our records indicate that you are the appropriate contact for the ERISA plan sponsor of a “covered plan” (within the meaning of Department of Labor Rule 408b-2(c)) which is the client of an account managed by Savion Asset Management Advisory LLC Portfolios Solutions, Inc. The following table contains information and references to additional information about Savion Asset Management Advisory LLC’s services and compensation, as required by Rule 408b-2. Education – Complete an advanced college-level course of study addressing the Asset Management Advisory areas that CFP® Board’s studies have determined necessary for the competent and professional delivery of Asset Management Advisory services and attain a bachelor’s Degree from regionally accredited United States college or university.

CFP® Board’s Asset Management Advisory subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning and estate planning.

Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose Asset Management Advisory issues and apply one’s knowledge of Asset Management Advisory to real world circumstances.

Experience –Complete at least three years of full-time Asset Management Advisory related experience (or the equivalent, measured as 2000 hours per year); and

Ethics – Agree to be bound by CFP® Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the Asset Management Advisory field; and

Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide Asset Management Advisory services at fiduciary standard of care. This means CFP® professionals must provide Asset Management Advisory services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP® Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

## **INFORMATION**

Description of SAVYON services

## **WHERE TO FIND IT**

SAVYON provides a technology structure for investment advisors to efficiently connect with a vast array of independent separate account managers and investment model providers (collectively "Managers"). SAVYON also offers its proprietary investment portfolios and provides technology, administrative and reporting services.

Statement concerning services SAVYON will provide as an investment adviser, ERISA fiduciary and registered investment adviser.

See SAVYON Form ADV Part 2A brochure, specifically Item 4 (Advisory Business); Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss), and Item 17 (Voting Client Securities).

SAVYON is acting as a "fiduciary" under the Employee Retirement Income Security Act of 1974 ("ERISA") and an "investment adviser" (as defined in Section 3(21)(A)(ii) of ERISA) with respect to the performance of services listed in Item 4 (Advisory Business).

Direct Compensation SAVYON Receives from your Account

The fees that SAVYON receives for its services are derived from the total fees that are agreed to in the advisory agreement.

SAVYON pays the third-party logistics manager for its services from the fee it collects. SAVYON will retain a portion of the fees charged for making the strategies available and for administering them in the Program.

See SAVYON Form ADV Part 2A brochure, specifically Item 5 (Fees and Compensation).

Indirect Compensation that SAVYON will receive from nonaffiliates in connection with services to your Account

SAVYON may receive indirect compensation from the underlying expenses received by Savyon Asset Management Advisory LLC Asset Management (“SAVYON”) for acting as investment advisor to the SAVYON Fund (Savyon), registered mutual fund.

When Savyon Asset Management Advisory LLC sponsors a conference, it will solicit contributions from Vendors to defer the costs associated with the conference. Depending upon Vendor participation, Savyon Asset Management Advisory LLC may receive contributions in excess of the costs associated with the event.

SAVYON does not otherwise receive indirect compensation, such as brokerage commissions, sales charges or referral fees, in connection with your account.

None

Compensation SAVYON will receive if you terminate SAVYON’ management of your account.

## **Item 19 –Miscellaneous**

### **A. Class Action Claims**

Clients are welcome to contact Savyon for information about a particular class action settlement and Savyon will provide any information needed to file such a claim, if requested. If Savyon should inadvertently receive requests for proofs of claim for securities class action settlements in behalf of clients, we will immediately forward such information to clients, but will not take any further action with respect to the claim.

### **B. Business Continuity**

**As part of the fiduciary duty to our clients and as a matter of best business practices, Savyon Asset Management Advisory., has adopted policies and procedures for disaster recovery and for continuing Savyon ’s business in the event of an emergency or disaster. These policies are designed to allow Savyon to resume service to our clients in as short a period of time as possible after any man-made or natural disaster. More detail regarding these policies and procedures can be obtained by contacting us at (786) 201-0137**

## PRIVACY POLICY

The following Privacy Principles govern how Savyon handles, safeguards and protects non-public personal information as defined by applicable local laws and regulations (“personally recognizable information”).

Specifically, Savyon is committed to the following:

1. Savyon is committed to maintaining the privacy of individuals whose personally recognizable information is held at Savyon including current and former individual clients (whether invested in funds or otherwise) and other intermediaries with whom we conduct business.
2. Savyon obtains or verifies personally recognizable information from different sources, including the following:
  - Directly from Individuals;
  - From financial intermediaries;
  - Information provided in applications, forms or other documents;
  - Information Savyon receives from a consumer reporting agency;
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Information collected when an individual visits Savyon’s at SAVYON, keeping your personal and financial information secure is one of our most important responsibilities. I recognize that your relationship with me is based on trust, and that you expect me to act responsibly and in your best interests. Because your personal and financial data are your private information, we hold ourself to the highest standards in their safekeeping and use. Specifically, Savyon is committed to the following:

- Obtaining personally recognizable information fairly and lawfully;
- Handling personally recognizable information fairly and lawfully in accordance with the Individual’s rights;
- Keeping personally recognizable information accurate and up to date; and
- Protecting personally recognizable information from unlawful disclosure;
- Retaining personally recognizable information only for as long as is necessary.

#### The Information We Collect About You

We collect data to provide you with the services you requested. We may obtain it from your application and other forms you may complete for us. In addition to the information you

provide us, we may receive information about you that you authorized third parties to provide to us.

#### What We Do with Your Information

We do not sell information about current or former clients or their accounts to third parties. Nor do we share such information, except when needed to complete transactions at your request or where we are required to do so by law.

#### How We Protect Your Data

We restrict access to your data to those employees who need to know the information in order to perform their jobs. To protect your data, we maintain physical, electronic, and procedural safeguards in keeping with industry standards and practices.

#### We'll Keep You Informed

We will notify you of our privacy policy annually. We may change our policy and if we do, we will inform you promptly.

Savyon is committed to maintaining the privacy of individuals whose information is held at Savyon including current and former individual clients (whether invested in funds or otherwise) and other intermediaries with whom we conduct business.

Savyon obtains or verifies personally recognizable information from different sources, including the following:

- Directly from Individuals;
- From financial intermediaries;
- Information provided in applications, forms or other documents;
- Information Savyon receives from a consumer reporting agency;
- Information collected when an individual visits Savyon's websites.

Individuals may contact Savyon at any time to confirm, update or verify the personally recognizable information held by Savyon or to confirm, update or verify the purposes for which that may be used.

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