

INSPHERIA LLC

a Registered Investment Adviser

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

Item 2. Material Changes

In this Item, Inspheria is required to discuss any material changes that have been made to the brochure since the last annual amendment dated. There are no such material changes to disclose.

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Item 4. Advisory Business

Inspheria offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Inspheria rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Inspheria setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Inspheria filed for registration as an investment adviser in January 2019 and is owned by TCH II, LLC and Gregory Hogan. As of the date of this filing, Inspheria does not have any assets under management; however, the Firm reasonably expects to be eligible for registration with the SEC within 120 days of approval as an investment adviser.

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

Financial Planning and Consulting Services

Inspheria offers clients a broad range of financial planning and consulting services, which include asset allocation recommendations of assets not managed, preliminary financial planning advice, and preliminary trust and estate planning. These services are included with the Firm’s investment portfolio management services as described below.

In performing these services, Inspheria is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Inspheria expects to recommend certain clients engage the Firm for additional related services, its Supervised Persons in their anticipated individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Inspheria or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Inspheria under financial planning or consulting advice. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Inspheria’s recommendations and/or services.

Investment and Wealth Management Services

Inspheria manages client investment portfolios on a discretionary or non-discretionary basis. Inspheria primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), individual debt and equity securities, options and independent investment managers (“Independent Managers”) in accordance with their stated investment objectives.

Clients can engage Inspheria to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Inspheria directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider.

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

Sponsor and Manager of Wrap Program

Inspheria also provides investment management services as the sponsor and manager of the Inspheria Wrap Program (the “Wrap Program”), a wrap fee program (i.e., an arrangement where certain brokerage commissions and transaction costs are absorbed by the Firm). Other than services including brokerage fees accounts managed through the Wrap Program are done so in substantially the same manner as those managed under a non-wrap arrangement. Participants in the Wrap Program may pay a higher or lower aggregate fee than if investment management and brokerage services are purchased separately. Additional information about the Wrap Program is available in Inspheria’s Wrap Brochure, which appears as Part 2A Appendix 1 of the Firm’s Form ADV (the “Wrap Brochure”).

Use of Independent Managers

As mentioned above, Inspheria selects certain Independent Managers to actively manage a portion of its clients’ assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to

this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

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

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

Item 5. Fees and Compensation

Inspheria offers services for fixed fees as well as fees based upon assets under management. Additionally, the Firm anticipates that certain of the Firm's Supervised Persons, in their individual capacities, will offer securities brokerage services and/or insurance products under a separate commission-based arrangement. For investment management fees associated with participation in the Wrap Program, please see the Wrap Brochure.

Investment Management Fees

The Firm's investment management fee varies in accordance with the following fee schedule:

<u>PORTFOLIO VALUE</u>	<u>BASE FEE</u>
Up to \$99,999.99	1.50%
\$100,000 - \$249,999.99	1.35%
\$250,000 - \$499,999.99	1.20%
\$500,000 - \$749,999.99	1.05%
\$750,000 - \$1,249,999.99	0.90%
\$1,250,000 - \$1,999,999.99	0.75%
\$2,000,000 - \$4,999,999.99	0.60%
\$5,000,000 - \$24,999,999.99	0.45%
\$25,000,000 and Above	0.30%

The annual fee is prorated and charged quarterly, in advance (although the Firm may charge its fee in arrears in limited circumstances and as agreed upon with the client), based upon the market value of the assets being managed by Inspheria on the last day of the previous quarter. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Inspheria may negotiate a fee rate that differs from the range set forth above.

Financial Planning and Consulting Services Fees

For financial planning and consulting services that are not included in the investment management services, Inspheria will charge a fixed fee that is calculated by multiplying a negotiable hourly rate by the estimated amount of time needed to complete the financial planning or consulting project. Prior to engaging Inspheria to provide financial planning or consulting services, client will be required to enter into a written agreement. The agreement will set forth the terms and conditions of the engagement and will describe the scope of the services to be provided. Generally, fees are due upon execution of the agreement. Inspheria does not require the prepayment of over \$1,200, six or more months in advance. Either party may terminate the financial planning or consulting agreement by written notice to the other. Any pre-paid, unearned fees will be promptly refunded to the client.

Fee Discretion

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

Additional Fees and Expenses

In addition to the advisory fees paid to Inspheria, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, margin costs, charges imposed directly by a mutual fund or ETF in a client’s

account, as disclosed in the fund's prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

Advisory fees charged by Independent Managers may be separate and apart from the Firm's fees. Advisory fees paid to the Independent Managers are established and payable in accordance with the disclosure brochure and/or client agreement provided by each Independent Manager to whom the client is referred. These fees may or may not be negotiable. In some cases, Inspheria will share in the fee charged by the Independent Manager. Depending on the Independent Manager, clients may or may not be able to negotiate the portion of the fee payable to Inspheria. The client will generally be required to sign an agreement directly with the Independent Managers.

Since Inspheria's compensation may differ depending upon the use of a particular Independent Manager, the Firm has an incentive to recommend one Independent Manager over another. At all times Inspheria and its Supervised Persons will uphold their fiduciary duty to clients.

Independent Managers may offer wrapped or non-wrapped pricing options. Wrap pricing structures allow the client to pay an all-inclusive fee for management, brokerage, clearance, custody, and administrative services. In a non-wrap pricing structure, the Independent Manager's fee may be separate from the advisory fee charged by Inspheria. Transaction costs may also be charged for the execution and clearance of securities transactions directed by such Independent Manager.

A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each Independent Manager are detailed and disclosed in: i) the Independent Manager's disclosure brochure and other documents and agreements. A copy of all relevant documents of the Independent Manager will be provided to clients that are recommended to such Independent Managers.

Direct Fee Debit

Clients provide Inspheria and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Inspheria. Alternatively, clients may elect to have Inspheria send a separate invoice for direct payment.

Use of Margin

Inspheria may be authorized to use margin in the management of the client's investment portfolio. In these cases the fee payable will be assessed gross of margin such that the market value of the client's account and corresponding fee payable by the client to Inspheria will be increased. Where investment management fees are assessed gross of margin, a conflict of interest exists as the Firm has an incentive to use margin to increase its fees.

Account Additions and Withdrawals

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

Commissions and Sales Charges for Recommendations of Securities

The Firm anticipates that clients will engage certain persons associated with Inspheria (but not the Firm directly) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Inspheria.

Under this arrangement, certain of Supervised Persons of the Firm, in their individual capacities, are anticipated to be registered representatives of Alden Securities, Inc. ("Alden"), and provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Those Supervised Persons would be entitled to a portion of the brokerage commissions paid to Alden, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Inspheria may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with Alden.

A conflict of interest exists to the extent that a Supervised Person of Inspheria recommends the purchase or sale of securities through a brokerage relationship where that Supervised Person receives commissions or other additional compensation as a result of that recommendation (the "Brokerage Relationship"). The Firm has procedures in place to ensure that any recommendations made by such Supervised Persons to engage in the Brokerage Relationship are in the best interest of that client. Because the Supervised Persons

may receive compensation in connection with the sale of mutual funds in the Brokerage Relationship, a conflict of interest exists as such Supervised Persons, may have an incentive to recommend more expensive mutual fund share classes to clients where such Supervised Persons earn more compensation with respect to the sale of such mutual fund share classes. Clients should understand that the investments made in the Brokerage Relationship are not receiving advisory services from the Firm. Therefore, the Firm does not have a fiduciary duty over the Brokerage Relationship recommendations. For certain accounts covered by the Employee Retirement Income Security Act of 1974 (“ERISA”) and such others that Inspheria, in its sole discretion, deems appropriate, Inspheria provide its investment advisory services to certain clients on a fee-offset basis. In this scenario, Inspheria offsets its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the Firm’s Supervised Persons in their individual capacities as registered representatives of Alden.

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

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

Item 7. Types of Clients

Inspheria offers services to individuals, trusts, estates, corporations and business entities.

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

Methods of Analysis and Investment Strategies

Inspheria allows its investment adviser representatives autonomy in managing client assets. Each investment adviser representative will determine the recommended investments in client account and will have his or her own methods of analysis and investment strategies. Inspheria will supervise investment adviser representative recommendations under the Firm’s fiduciary duty to its clients. Inspheria anticipates that investment adviser representatives will utilize one or more of the following methods of security analysis:

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Inspheria, this process typically involves an analysis of an issuer’s management team, investment strategies, style drift, past performance, reputation and financial

strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Inspheria will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that Inspheria is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Behavioral finance analysis involves an examination of conventional economics as well as behavioral and cognitive psychological factors. Behavioral finance methodology seeks to combine a qualitative and quantitative approach to provide explanations for why individuals may, at times, make irrational financial decisions. Where conventional financial theories have failed to explain certain patterns, the behavioral finance methodology investigates the underlying reasons and biases that cause some people to behave against their best interests. The risks relating to behavior finance analysis are that it relies on spotting trends in human behavior that may not predict future trends.

Modern Portfolio Theory ("MPT") is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (*e.g.*, tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, Inspheria's investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

Risk of Loss

The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

Market Risks

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Inspheria's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Inspheria will be able to predict these price movements accurately or capitalize on any such assumptions.

Volatility Risks

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

Cash Management Risks

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

Equity-Related Securities and Instruments

The Firm may recommend long positions in common stocks of U.S. and non-U.S. issuers traded on national securities exchanges and over-the-counter markets. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and factors specific to the industry in which the issuer participates. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments, and the stock prices of such companies may suffer a decline in response. In addition, equity securities are subject to stock risk, which is the risk that stock prices historically rise and fall in periodic cycles. U.S. and non-U.S. stock markets have experienced periods of substantial price volatility in the past and may do so again in the future. In addition, investments in small-capitalization, mid-capitalization and financially distressed companies may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity, and these issuers often face greater business risks.

Fixed Income Securities

Fixed income securities are subject to the risk of the issuer's or a guarantor's inability to meet principal and interest payments on its obligations and to price volatility.

Mutual Funds and ETFs

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

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

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

Use of Independent Managers

As stated above, Inspheria selects certain Independent Managers to manage a portion of its clients' assets. In these situations, Inspheria continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Inspheria does not have the ability to supervise the Independent Managers on a day-to-day basis.

Reliance on Investment Adviser Representatives

A client's investment adviser representative is primarily responsible for investments. While the Firm does supervise the investment adviser representative and oversee accounts based on general parameters, a

client's performance will be highly reliant on that client's investment adviser representative to successfully implement their investment strategy.

Options

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

Real Estate Investment Trusts (REITs)

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

Use of Margin

While the use of margin borrowing for investments can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

Currency Risks

An advisory account that holds investments denominated in currencies other than the currency in which the advisory account is denominated may be adversely affected by the volatility of currency exchange rates.

Interest Rate Risks

Interests rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.

Item 9. Disciplinary Information

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

Item 10. Other Financial Industry Activities and Affiliations

This item requires investment advisers to disclose certain financial industry activities and affiliations.

Registered Representatives of a Broker-Dealer

The Firm anticipates that certain of the Firm's Supervised Persons will be registered representatives of Alden and provide clients with securities brokerage services under a separate commission-based arrangement. This anticipated arrangement is described at length in Item 5.

Licensed Insurance Agents

The Firm anticipates that a number of the Firm's Supervised Persons will be licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that Inspheria recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

Relationship with TruClarity

TCH II, LLC ("TruClarity") owns the majority of the Firm. TruClarity focuses its efforts on optimizing solutions for investment professionals leaving wire house firms to pursue business independence. TruClarity maintains ownership in various investment adviser firms, either temporarily to support new advisers or permanently. There is a conflict of interest where the Firm or TruClarity recommends the services of the other or another affiliated adviser to clients. The Firm does not anticipate such referrals as of this filing.

Item 11. Code of Ethics

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

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

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

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

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper,

repurchase agreements and other high quality short-term debt instruments; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

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

Item 12. Brokerage Practices

Recommendation of Broker-Dealers for Client Transactions

Inspheria recommends that clients utilize the custody, brokerage and clearing services of a Financial Institution for investment management accounts. Inspheria will participate in the institutional program offered by the Financial Institutions that it recommends. Inspheria will receive benefits from the Financial Institutions for participation in their programs. The final decision to custody assets with a recommended Financial Institution is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Inspheria is independently owned and operated and not affiliated with any of the Financial Institutions. The Financial Institutions provide with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which Inspheria considers in recommending a Financial Institutions include their respective financial strength, reputation, execution, pricing, research and service. The Financial Institutions enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The Financial Institutions have also agreed to reimburse clients for exit fees associated with moving accounts to their institution. The reimbursement is only available up to a certain amount for all of the Firm's clients over a period of time. Fees are reimbursed on a first-come-first-served basis so that no clients are favored. The commissions and/or transaction fees charged by a Financial Institution may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Inspheria's clients to a Financial Institutions comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Inspheria determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Inspheria seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Inspheria in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used for calculation by the Financial Institution to compensate the Firm for services that are not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Inspheria does not have to produce or pay for the products or services. The Firm may be required by a Financial Institution to maintain a specified dollar amount of assets with that Financial Institution to receive benefits which also results in a conflict of interest.

Some of the products, services, and other benefits provided by the Firm benefit the Firm and not the Firm's clients. Financial Institutions receive compensation from sources including but not limited to mutual funds and annuities, banks, insurance companies, and investment banking relationships, which are not shared with the Firm. The Firm's recommendation that a client place assets with a specific Financial Institution may be based in part on benefits to the Firm, and not solely on the nature, cost, or quality of custody and execution services provided by that Financial Institution.

The Financial Institutions do not generally charge the Firm's clients separately for custody but they are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through that Financial Institution or that settle into that Financial Institution's accounts.

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

Software and Support Provided by Financial Institutions

Inspheria receives without cost from Financial Institutions administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow Inspheria to better monitor client accounts maintained at the Financial Institutions and otherwise conduct its business. Inspheria receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Financial Institutions. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits Inspheria, but not its clients directly. Clients should be aware that Inspheria's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services, especially because the support is contingent upon clients placing and maintaining a certain level(s)

of assets at that Financial Institution. In fulfilling its duties to its clients, Inspheria endeavors at all times to put the interests of its clients first and has determined that the recommendation of a particular Financial Institution is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Inspheria receives the following benefits from the Financial Institutions: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; iv) access to an electronic communication network for client order entry and account information; and v) advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Depending upon the Financial Institution recommended, that institution also makes the following available to the Firm, at no additional charge:

- Certain research and brokerage services, including research services obtained by the Financial Institution directly from independent research companies, as selected by Inspheria (within specified parameters).
- National, regional or Firm specific educational events organized and/or sponsored by the Financial Institution.
- Business entertainment of personnel of Inspheria by personnel of the Financial Institution, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities.
- Software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting.
- Professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing.
- The Financial Institutions may discount or waive fees they would otherwise charge for some of the services mentioned herein or pay all or a part of the fees of a third-party providing these services to the Firm.

The Financial Institutions will offer transition assistance or other financial incentives to the Firm ("Transition Assistance"). In general, the Transition Assistance will be determined based upon negotiations between the Financial Institutions and the Firm. Generally, in order to receive or keep the Transition Assistance, the Firm is required to meet or maintain certain asset under management levels and other

benchmarks with the Financial Institution. As such, Transition Assistance payments create a conflict of interest between the Firm and its clients.

While, as a fiduciary, Inspheria endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at a particular Financial Institution may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by that Financial Institution, which creates a conflict of interest.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as the Firm maintains a certain level of client assets at the Financial Institution. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at that particular Financial Institution. Without these relationships, the Firm would be required to pay for these benefits on its own.

Brokerage for Client Referrals

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

Directed Brokerage

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

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain Supervised Persons in their respective individual capacities are anticipated to be registered representatives of Alden. These Supervised Persons will be subject to FINRA Rule 3280 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless the registered representatives give prior notice of such transactions to Alden and, in most circumstances, Alden provides written consent. Therefore, clients are advised that certain Supervised

Persons are restricted to conducting securities transactions through Alden if they have not secured written consent from Alden to execute securities transactions through a different broker-dealer. Absent such written consent or separation from Alden, these Supervised Persons are generally prohibited from executing securities transactions through any broker-dealer other than Alden under its internal supervisory policies. The Firm is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Trade Aggregation

Transactions for each client will be effected independently, unless Inspheria decides to purchase or sell the same securities for several clients at approximately the same time. Inspheria may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and allocated among Inspheria’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Inspheria’s Supervised Persons may invest, the Firm does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Inspheria does not receive any additional compensation or remuneration as a result of the aggregation.

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

Item 13. Review of Accounts

Account Reviews

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

Account Statements and Reports

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

Item 14. Client Referrals and Other Compensation

Client Referrals

The Firm does not currently provide compensation to any third-party solicitors for client referrals. In the event a client is introduced to Inspheria by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from Inspheria's investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with Inspheria's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of Inspheria is required to disclose the nature of his or her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

Receipt of Finders Fee

In addition to fees that the Firm anticipates will be earned by Supervised Persons as registered representatives of a broker-dealer for securities transactions, the Firm anticipates that the Firm or its Supervised Persons may earn fees for referrals to Raymond James for certain investment banking services or products. “Finders” earn up to 20% of net investment banking fee. Finders are also granted annuity status as described below. Under certain circumstances, a Supervised Person may have significant or unique value to add in situations where the Raymond James Equity Capital Markets Department has a current business relationship or is pursuing a business relationship with a company, or where a rep cannot otherwise qualify as a “finder” of an investment banking transaction. In these situations, partial referral fees, or “helper” fees can still be earned. “Helper” fee rates are determined on a case-by-case basis. The rep can earn a one-time fee of up to 10% of the net investment banking fee (less retainer and expenses) as a “helper.” “Annuity” status is generally automatically granted if a rep qualifies as a “finder.” It is generally not granted in “helper” fee situations. When “annuity” status is granted, subsequent transactions resulting from the same referral will qualify for a “finder” fee of 75% of the initial percentage applied to net income realized by the Raymond James Investment Banking Department on the second transaction; and 50% of the initial percentage applied to the net income realized by the Raymond James Investment Banking Department on the third transaction. Annuity status ceases after the third transaction.

Item 15. Custody

Inspheria is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm’s fees. As such, client funds and securities are maintained at one or more Financial Institutions that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period.

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

Surprise Independent Examination

As Inspheria is deemed to have custody over clients’ cash, bank accounts or securities (for reasons other than those discussed above), the Firm is required to engage an independent accounting Firm to perform a surprise annual examination of those assets and accounts over which it maintains custody. Any related opinions issued by an independent accounting Firm are filed with the SEC and are publicly available on the

SEC's Investment Adviser Public Disclosure website. Inspheria does not have direct access to client funds as they are maintained with an independent qualified custodian.

Item 16. Investment Discretion

Inspheria is given the authority to exercise discretion on behalf of clients. Inspheria is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Inspheria is given this authority through a power-of-attorney included in the agreement between Inspheria and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Inspheria takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made;
- The broker-dealer that executes trades (in the case of a prime brokerage relationship); and
- The Independent Managers to be hired or fired.

Item 17. Voting Client Securities

Acceptance of Proxy Voting Authority and Engagement of Independent Third Party

Inspheria accepts the authority to vote a client's securities (i.e., proxies) on their behalf. When Inspheria accepts such responsibility, it will cast proxy votes only in a manner it believes consistent with the best interest of its clients. At any time clients may contact the Firm to request information about how Inspheria voted proxies for that client's securities.

A brief summary of Inspheria's proxy voting policies and procedures is as follows:

- The Firm expects to engage an independent third party to vote proxies ("Proxy Voter"), provide research, analysis, and recommendations on the various proxy proposals for the client securities that Inspheria manages with the aim of maximizing shareholder value. In engaging the Proxy Voter for that purpose, Inspheria has reviewed the Proxy Voter's guidelines for proxy voting to determine that the positions are in the best interest of clients. Certain issues may need to be considered on a

case-by-case basis due to the diverse and continually evolving nature of corporate governance issues. If such cases should arise, then Inspheria will devote appropriate time and resources to consider those issues.

- Where Inspheria is responsible for voting proxies on behalf of a client, the client cannot direct the Firm's vote on a particular solicitation. The client, however, can revoke Inspheria's authority to vote proxies. In situations where there is a conflict of interest in the voting of proxies due to business or personal relationships that Inspheria maintains with persons having an interest in the outcome of certain votes, the Firm will take appropriate steps, whether by following Proxy Voter's third-party recommendation or otherwise, to ensure that proxy voting decisions are made in what it believes is the best interest of its clients and are not the product of any such conflict.

Item 18. Financial Information

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

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