

Item 1: Cover Page



Form ADV Part 2A Investment Adviser Brochure

August 21, 2019

This brochure provides information about the qualifications and business practices of Checchi Capital Advisers, LLC. If you have any questions about the contents of this brochure, please contact Adam D. Checchi, Managing Member, at 310-432-0010 and/or info@chechhicapital.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Checchi Capital Advisers, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number, Checchi Capital Advisers, LLC's CRD Number is 143478.

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Item 2: Summary of Material Changes

Annual Update

In this Item of Checchi Capital Advisers, LLC's (CCA or the Firm) Form ADV 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment in March of 2018.

Material Changes since the Last Update

Since the March 2019 Annual Amendment filing, CCA has added language to reflect a new client referral agreement with a third-party entity. Information regarding the third-party referral agreement, including additional fees that may apply to accounts referred to CCA pursuant to the agreement, may be found in Item 14 below.

Prior to the March 2019 Annual Amendment filing, but after the March 2018 Annual Amendment filing, CCA moved its offices from 190 North Canon Drive, Beverly Hills, CA, 90210, to 9720 Wilshire Boulevard, Beverly Hills, CA 90212.

Full Brochure Available

CCA's Form ADV may be requested at any time, without charge by contacting Adam D. Checchi, Managing Member, at 310-432-0010 or adam@checcicapital.com.

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Item 4: Advisory Business

Firm Description

Checchi Capital Advisers, LLC (CCA or the Firm) is a registered investment adviser, which provides portfolio management services to high net worth individuals, trusts, foundations, charitable organizations, pension and profit sharing plans, corporations, and other business entities. CCA was founded in 2007.

Principal Owners

CCA is owned by Loeb Capital West, LLC, Canal Capital Partners, LLC , two trusts controlled by Kathryn D. Checchi, a Principal of CCA and Samuel T. Pfister. Adam D. Checchi, the Managing Member of CCA, is the sole member of Loeb Capital West, LLC.

Asset Management

CCA provides sophisticated globally diversified portfolio strategies for investors' core long-term liquid equity and fixed income investments. Customized investment portfolios will be constructed using proprietary statistical and mathematical models which maximize diversification and tax efficiency while minimizing turnover, transaction costs and management expenses.

CCA's strategies are based on individually constructed domestic and foreign fixed income and equity portfolios that use statistical sampling to approximate the distribution of the world's liquid traded assets by value. The gross returns and volatility of CCA portfolios should approximate the pre-tax returns of the major world indices weighted by market capitalization. CCA will include tax optimization and transaction cost reduction algorithms that optimize the client's tax position.

Assets are invested primarily in fixed income and equity, utilizing exchange-traded funds, where appropriate, to achieve maximum diversification. All securities are purchased or sold through a brokerage account. The brokerage firm charges a fee for stock and bond trades. CCA does not receive any compensation, in any form, from fund companies or brokers.

Investments may also include: equities (stocks), warrants, corporate debt securities, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Pooled Investment Vehicles

CCA serves as the investment adviser to the CCA Aggressive Return Fund, a series portfolio of the MSS Series Trust. The MSS Series Trust is registered under the Investment Company Act of 1940, as amended.

Interested investors should refer to the Prospectus and SAI for important information regarding objectives, investments, time horizon, risks, fees, and additional disclosures. Prior to making any investment in the Fund, investors and prospective investors should

carefully review these documents for a comprehensive understanding of the terms and conditions applicable for investment in the Fund.

CCA also serves as an investment adviser to two insurance dedicated funds, the CCA Core Return Insurance Fund and the CCA Aggressive Return Insurance Fund. CCA manages the Insurance Funds based on the investment goals and objectives as outlined in the Series Supplements to the Insurance Funds.

Separately Managed Accounts

CCA provides continuous advice to clients regarding 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 particular circumstances are established, CCA will create and manage a portfolio based on that client's needs.

Sub-Advisory Relationships

CCA provides services to other affiliated and unaffiliated registered investment advisers on a sub-advisory basis.

Tailored Relationships

CCA tailors advisory services to the individual needs of the client. The goals and objectives for each client are discussed and then an individual portfolio of domestic and foreign fixed-income and equity is constructed using a statistical sampling process to approximate the distribution of the world's liquid traded assets by value. The gross returns and volatility of CCA portfolios should approximate the pre-tax returns of the major world indices weighted by market capitalization. CCA will include tax optimization and transaction cost reduction algorithms that optimize the client's tax position. Clients may impose restrictions on investing in certain securities or types of securities.

Wrap Fee Programs

CCA does not participate in a Wrap Fee Program.

Client Assets

CCA manages client accounts and, as of December 31, 2018, these assets totaled approximately \$789,194,025. All accounts are managed on a discretionary basis.

Item 5: Fees and Compensation

Compensation

Separate Accounts

The annual compensation for CCA's separately managed accounts is generally 90% of assets under management.

The annual compensation for CCA's sub-advised relationships ranges from 0.25% to 1.00% of assets under management.

CCA's compensation may be negotiated based on various criteria, including, but not limited to, the size of the aggregate party portfolio size and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, the complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

Accounts which are introduced to CCA through third-party referral arrangements may experience higher fees than those referenced above. Please see Item 14 below for more information regarding CCA client referral arrangements and fees.

Pooled Investment Vehicles

Annual investment management fees for the Mutual Fund are charged at 0.75% of average daily net assets.

Annual investment sub-advisory management fees for each insurance fund are charged as a tiered percent per annum of the net asset value of the insurance fund on the first business day of each calendar month based on the total assets managed (please see the Sub-Advisory Agreement for specific per annum fees by asset level).

Calculation and Payment

Separate Accounts

The specific manner in which fees are charged by CCA is established in the client's written agreement with CCA. CCA will generally calculate fees on a quarterly basis, in arrears. Fees will be calculated based on the average daily market value of assets under management during the billing period.

Unless CCA and the client agree that particular assets are specifically excluded from the client's account, compensation will be calculated in arrears on the total market value of all mutual funds, stocks, bonds, cash, and money market positions held in the client's investment account at the end of each calendar quarter.

Clients may elect to be invoiced directly for fees or to authorize CCA to directly debit fees from client accounts.

Pooled Investment Vehicles

Advisory fees for the Mutual Fund are accrued daily and paid monthly in arrears. CCA has contractually agreed to reduce its fees and to reimburse expenses, at least until March 31, 2018 to ensure that total annual Fund operating expenses after fee waiver and reimbursement (excluding 12b-1 fees and other expenses as described in the Prospectus) will not exceed 0.90% or 1.15% of average daily net assets attributable to Institutional Class or Investor Class shares, respectively. These fee waivers and expense reimbursements are subject to possible recoupment from the Fund within three years after the end of the fiscal year in which the waiver or reimbursement occurs, if such recoupment can be achieved within the foregoing expense limits.

Advisory fees for the insurance funds are paid monthly in arrears. CCA has contractually agreed to reduce its fees and to reimburse expenses to ensure that the total annual

operating expenses (excluding standard trading expenses as described in the Series Supplement) for the insurance fund do not exceed 0.90% of the net asset value of the insurance fund on the first business day of each calendar month.

Other Fees

Separate Accounts

In addition to CCA advisory compensation, clients may incur certain charges imposed by third parties which include the following: brokerage commissions; custodial fees; IRA and qualified retirement fees; mutual fund fees, including advisory fees and administrative expenses, 12B-1 and sub transfer fees; and other charges required by law.

Advisory compensation earned by CCA is separate and distinct from advisory fees and expenses charged by mutual funds in which client assets may be invested. A complete description of these fees and expenses may be found in each mutual fund prospectus. The client should review all fees charged by mutual funds, CCA and others to fully understand the total amount of fees to be paid by the client.

Pooled Investment Vehicles

Mutual funds and insurance funds are subject to a number of expenses which are ultimately borne by shareholders, including, but not limited to, accounting, shareholder servicing, legal, audit, tax, administrative servicing and other expenses.

Additionally, CCA utilizes certain exchange traded funds and other investment vehicles ("acquired funds") in circumstances in which direct investments in certain securities/markets may be impractical due to high trading costs, minimum required investment allocations, and/or other factors. Fees and expenses charged by acquired funds are separate and distinct from advisory fees and other expenses charged to the funds to which CCA serves as an adviser or sub-adviser. Consequently, to the extent that any fund managed by CCA in acquired funds, shareholders shall be assessed fund level fees and expenses both by the funds managed by CCA and the acquired funds.

Termination of Agreement

Either party has the right to terminate any agreement without penalty with written notice. CCA will earn fees pro-rata through the date of termination. Upon termination of the account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

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

Neither CCA nor any of its Supervised Persons (employees) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

CCA does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Types of Clients

As described in Item 4, CCA is a registered investment adviser, which provides portfolio management services to high net worth individuals, foundations, charitable organizations, pension and profit sharing plans, trusts, corporations, investment companies registered under the Investment Company of 1940, insurance-dedicated funds and other business entities.

Account Minimums

The minimum separate account size is \$5,000,000. Accounts may be aggregated for determining the dollar value of assets. Waivers or exceptions from the minimum account requirement may be granted at the exclusive discretion of CCA.

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

Methods of Analysis

CCA combines a quantitative approach in security analysis with an index methodology to construct portfolios of securities for clients. CCA utilizes databases from several sources as input to its own statistical computer models. This quantitative processing produces security portfolio recommendations that capture specific market level risk exposures of common and customized indices. CCA may employ fundamental, technical and behavioral data in its computer models. CCA portfolios tend to be long-term purchases, with limited turnover.

CCA's approach is not designed to capture idiosyncratic differences between companies and therefore do not provide advantage in security selection. CCA's process relies on the quality of the data it obtains, the quality of the statistical models it builds and the firm's ability to execute purchases at prices that approximate those modeled.

Separate Account Investment Strategies

The primary strategy employed with client accounts is global asset allocation targeting only liquid securities. The company uses passively managed index funds or attempts to replicate passively managed benchmarks with direct securities to construct client portfolios. Unless otherwise specified by the client, portfolios are globally diversified to control the risk associated with traditional markets. The CCA Global Portfolio is a client-owned separately-managed index portfolio that mirrors the world's allocation of public

equity and fixed income securities. CCA makes trade decisions based on a client's specific tax and risk profile. Customized portfolios that CCA offers beyond the traditional CCA Global Portfolio include the CCA Global Dividend Portfolio, the CCA Core Portfolio, the CCA EAFE Portfolio, and various option overlay portfolios. The CCA Global Dividend Portfolio provides exposure to a globally diversified portfolio of high dividend paying securities. The CCA Core Portfolio provides exposure to the large and mid-cap companies in the U.S while the CCA EAFE Portfolio provides exposure to the large and mid-cap developed market companies outside the U.S. CCA's option overlay portfolios are used in conjunction with the underlying CCA portfolio strategies listed above to provide downside protection and/or additional income generation.

Pooled Investment Vehicle Strategies

CCA Aggressive Return Strategy

The CCA Aggressive Return Strategy attempts to capture the performance of the riskier portion of the domestic and international equity and fixed income markets by employing an investment approach designed to focus on those securities that have the highest expected return sensitivity, as determined by CCA. CCA manages the CCA Aggressive Return Strategy to closely approximate the key characteristics of the top decile (i.e., the 10% of the world's securities by market value that provide the highest expected return sensitivity based on the score). For this purpose, CCA invests in a sampling of securities that, in the aggregate, are selected to provide performance that corresponds generally to the performance of the top decile. The securities in the top decile will change from time to time. As CCA conducts its periodic scoring and ranking of the universe, CCA will modify the CCA Aggressive Return Strategy's holdings accordingly. The mix between equity and fixed income securities is expected to vary significantly from time to time, and it is possible for the CCA Aggressive Return Strategy to be 100% invested in either asset class at any time.

CCA Core Return Strategy

The CCA Core Return Strategy attempts to capture the performance of 90% of the domestic and international equity and fixed income markets by employing an investment approach designed to focus on all securities other than those that have the highest expected return sensitivity, as determined by CCA. CCA manages the CCA Core Return Strategy to closely approximate the key characteristics of the nine deciles other than the top decile (i.e., the 90% of the world's securities by market value, excluding the 10% that provide the highest expected return sensitivity based on the score). For this purpose, CCA invests in a sampling of securities that, in the aggregate, are selected to provide performance that corresponds generally to the performance of the nine deciles. The securities in the nine deciles will change from time to time. As CCA conducts its periodic scoring and ranking of the universe, CCA will modify the CCA Core Return Strategy's holdings accordingly.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Foreign Investment Risk:** Foreign investments present certain risks not typically associated with investing in United States securities or property. Such risks include unfavorable currency exchange rate developments, restrictions on repatriation of investment income and capital, imposition of exchange control regulation by the United States or foreign governments, confiscatory taxation and economic or political instability in foreign nations. In addition, there may be less publicly available information about certain non-U.S. companies than would be the case for comparable companies in the United States, and certain non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. companies.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Additionally, some investments may become illiquid due to changing market conditions and/or other factors and there is no assurance that any particular investment may be liquid at any particular point in time.

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Margin Account Risk:** A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. If the securities in a margin account decline in value, the brokerage firm may issue a margin call and/or sell securities or other assets in the client's accounts. Additionally, many broker-dealers may increase their maintenance margin requirements at any time without advance written notice.

CCA reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. CCA may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice.

Item 9: Disciplinary Information

CCA and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities

CCA is not registered as a broker-dealer. Some of CCA's employees are Registered Representatives of a broker-dealer, Arbor Court Capital, LLC.

Neither CCA nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading adviser.

Broker-Dealer Registered Representatives

As described above, some of CCA's employees may be Registered Representative(s) of Arbor Court Capital, LLC, member FINRA/SIPC. Notwithstanding the fact that principals and associates of CCA may be Registered Representatives of Arbor Court Capital, LLC, CCA is solely responsible for investment advice rendered. Advisory services are provided separately and independently of the broker/dealer.

Investment Adviser – Checchi Capital Fund Advisers, LLC

CCA is under common control with Checchi Capital Fund Advisers, LLC, (CCFA) a registered investment adviser, which provides portfolio management services to investment companies registered under the Investment Company Act of 1940 and insurance-dedicated funds.

Other Investment Advisers

CCA does not recommend or select other investment advisers for its clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

CCA employees must comply with a Code of Ethics. The Code describes the Firms' high standard of business conduct, and fiduciary duty to its clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information
- Monitoring of political contributions
- Policy on gifts and entertainment

Delia T. Mupita, Chief Compliance Officer, reviews all employee trades each quarter. Her trades are reviewed by another employee. These reviews ensure that personal trading does not affect the markets, and that clients of CCA receive preferential treatment.

All employees of CCA must acknowledge the terms of the Code of Ethics at least annually.

Clients and prospective clients can obtain a copy of CCA's Code of Ethics by contacting the Chief Compliance Officer, Delia T. Mupita, at 310-432-0010.

Participation or Interest in Client Transactions

With the exception of recommendations relating to purchases of affiliated mutual funds, neither CCA nor its employees recommend to clients or buy or sell for client accounts, securities in which they have a material financial interest.

Participation or Interest in Client Transactions – Personal Securities Transactions

CCA and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. These trades may not occur ahead of client trades. The Code of Ethics, described above, is designed to assure that the personal securities

transactions, activities and interests of the employees of CCA 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 materially not interfere with the best interest of CCA'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, and to reasonably prevent conflicts of interest between CCA and its clients.

Participation or Interest in Client Transactions – Aggregation

CCA's employees, who are clients of the firm, may trade in the same securities with client accounts on an aggregated basis.

Item 12: Brokerage Practices

Research and Other Soft Dollar Benefits

CCA does not receive soft dollar benefits other than execution from broker/dealers in connection with client securities transactions. See disclosure below in "Directed Brokerage – Other Economic Benefits".

Brokerage for Client Referrals

CCA does not receive client referrals from broker/dealers.

Directed Brokerage

If the client requests CCA to arrange for the execution of securities brokerage transactions for the client's account, CCA shall direct such transactions through broker-dealers that CCA reasonably believes will provide best execution. CCA shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

CCA generally recommends that clients establish institutional brokerage accounts with Charles Schwab & Co., Inc. (Schwab) or Fidelity Investments, LLC (Fidelity), both registered broker-dealers and members of the Securities Investor Protection Corporation (SIPC), to maintain custody of clients' assets and to effect trades for their accounts.

Directed Brokerage – Other Economic Benefits

CCA is independently owned and operated and not affiliated with any broker-dealer. However, CCA does utilize third-party broker-dealers to access institutional trading and custody services on its clients' behalf, which are typically not available to retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets is maintained in accounts at the broker-dealer, and are not

otherwise contingent upon CCA committing to the broker-dealer any specific amount of business (assets in custody or trading). Brokerage services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For CCA's client accounts maintained in its custody, Schwab and Fidelity generally do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or Fidelity, or that settle into Schwab or Fidelity accounts.

Clients may come to CCA with an existing brokerage relationship and direct CCA to execute their trades through that broker. CCA retains the right not to trade with a particular broker/dealer. Clients normally negotiate their commission rate directly with their broker. CCA will not seek better execution services or prices from other brokers or dealers and as a result, client could pay higher commissions, other transaction costs, greater spreads, or receive less favorable net prices on transactions for client's account than would otherwise be the case. If a client does not have an existing relationship with a broker, CCA may suggest the use of and request the client to authorize discretion on an account established through a variety of brokerage firms.

Trade Aggregation

CCA typically aggregates trades for multiple accounts. Orders for the same security entered on behalf of more than one client will generally be aggregated in the best interests of all participating clients. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated on a pro rata basis, based on transaction value across accounts.

CCA's allocation procedure seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

Accounts for CCA's employees, who are clients of the firm, may be included in a block trade with client accounts.

Item 13: Review of Accounts

Reviews

Adam D. Checchi, Managing Member, is the primary Portfolio Manager. Mr. Checchi and his team have the responsibility to manage the portfolio in accordance with the client's investment objectives and constraints. This management process includes on-going oversight of the portfolio's investments, buying and selling securities, and communication with clients. Each investment account is reviewed at least monthly. More often reviews may be conducted on an as-needed and/or predetermined basis as agreed between the client and CCA.

Review Triggers

Other conditions that may trigger a review are material market events, or changes in political or economic conditions, tax laws, and changes in a client's personal situation.

Reporting

Each month, the broker-dealer provides clients with an account statement for each client account, which may include individual holdings, cost basis information, deposits and withdrawals, securities transactions, accrued income, dividends, performance and fees, if applicable. In addition to the monthly report, the broker-dealer provides clients with trade confirmations for each position bought and sold.

CCA also provides clients with a quarterly report including an account appraisal that identifies the current status of the portfolio. A performance summary is also provided for the portfolio during the most recent quarter and year-to-date, as well as a performance snapshot of the investable universe year-to-date for comparison purposes.

Client meetings are encouraged and are scheduled as specific situations dictate.

Item 14: Client Referrals and Other Compensation

Compensation – Economic Benefits

As described in Item 12, CCA may recommend that clients establish brokerage accounts with either Schwab or Fidelity, both FINRA-registered broker-dealers, members SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although CCA may recommend that clients establish accounts at certain broker-dealers, it is the client's decision to use a particular broker-dealer. CCA is independently owned and operated and not affiliated with any broker-dealer.

Third-party broker-dealers make available to CCA other products and services that benefit CCA but may not benefit its clients' accounts. Some of these other products and services assist CCA in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of CCA's fees from its clients' accounts; and assist with back-office functions, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of CCA's accounts, including accounts not maintained at the broker-dealer.

Third-party broker dealers also make available to CCA other services intended to help CCA manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the broker-dealer may make available, arrange and/or pay for these types of services

rendered to CCA by independent third parties. The broker-dealer may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to CCA. CCA endeavors to act in its clients' best interests. CCA's recommendation that clients maintain their assets in accounts at a particular broker-dealer may be based in part on the benefit to CCA of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the broker-dealer, which may create a potential conflict of interest.

Compensation – Client Referrals

CCA may enter into written arrangements to pay cash referral fees to individuals or companies (solicitors) who refer prospective clients to the Firm. In these cases, there will be a written agreement between CCA and the solicitors, which clearly defines the duties and responsibilities of the solicitor under this arrangement. In addition, each solicitor is required to provide a written disclosure document, which explains to the prospective client the terms under which the solicitor is working with CCA and the fact that the solicitor is being compensated for the referral activities. The solicitor is also required to furnish a copy of CCA's written disclosure document to the prospective client and obtain a written acknowledgement from the client that both the solicitor's and CCA's disclosure documents have been received.

CCA currently maintains referral agreements with certain internal employees responsible for, among other duties, client development. Pursuant to these arrangements, CCA may base part or all of an employee's compensation on client asset acquisition and/or retention. Under no circumstances will a client whose account is considered in determining an employee's variable compensation be charged higher advisory fees solely as a result of such variable compensation to the employee.

CCA also currently maintains a referral arrangement with E*TRADE Securities LLC ("E*TRADE"), a third party entity unaffiliated with CCA. E*TRADE is compensated based upon a percentage of the account assets under management, which may range from ten (10) to twenty-three (23) basis points depending upon the size of the account. The Adviser may also be required to remit a flat program participation fee to E*TRADE on an annual basis if variable compensation for all referrals made to the Adviser does not exceed contractual thresholds. Accounts obtained by CCA pursuant to the written referral agreement with E*TRADE may pay advisory fees which are higher than those charged to clients who are acquired through other means. Depending upon the size of an individual account under management, the advisory fee differential attributable this written referral agreement may range up to twenty-five (25) basis points of the account's assets under management.

Item 15: Custody

Custody – Fee Debiting

Clients may authorize CCA (in the client agreement) to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian (custodian). Client investment assets will be held with a custodian agreed upon by the client and CCA. The custodian is advised in writing of the limitation of CCA's access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to CCA.

Custody – Account Statements

As described in Item 13, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that CCA provides. CCA statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

Discretionary Authority for Trading and Limited Power of Attorney

Through the investment management agreement, CCA may accept limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows CCA to execute trades on behalf of clients.

When such limited powers exist between CCA and the client, CCA has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, CCA may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to CCA in writing.

Item 17: Voting Client Securities

CCA may vote proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy.

Upon execution of the client Agreement, the client elects to:

- Assign the responsibility for voting all proxies solicited by issuers of securities held in the portfolio to CCA, or
- Retain the responsibility for voting all proxies solicited by issuers of securities held in the portfolio. See disclosures above regarding proxies voted by clients.

When the responsibility to vote proxies has been assigned to CCA, CCA engages Institutional Shareholders Services (ISS) to vote proxies on their behalf.

Clients may direct CCA's vote; direction must be received in writing.

Clients may contact Delia T. Mupita, Chief Compliance Officer at CCA at 310-432-0010 for information about CCA's Proxy policies. Clients may also request information about how CCA voted any proxies on behalf of their account(s).

Item 18: Financial Information

CCA 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.

CCA is not required to provide a balance sheet; CCA does not require prepayment of fees of more than \$1,200 per client, **and** six months or more in advance.