

Firm Brochure

(Part 2A of Form ADV)

Independence Asset Advisors, LLC

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This brochure provides information about the qualifications and business practices of Independence Asset Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 610-649-9841. 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.

Independence Asset Advisors, LLC ("IAA") is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about Independence Asset Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 152963.

Item 2 Material Changes

Initially, we will provide you with this brochure which highlights information about our qualifications, business practices, and potential conflicts of interest. Thereafter, on an annual basis, if there are have been any material changes to the information in the brochure during the previous year, we will provide one of the following:

- An updated annual brochure along with a summary of material changes which will be provided within 120 days of the close of our business fiscal year. Our business fiscal year end is December 31st.
- A summary of material changes within 120 days of the close of our business fiscal year that includes an offer to provide a copy of the full annual updated brochure and information on how you may obtain the brochure from us.

Throughout any business fiscal year, we will also provide you with an updated interim amendment to our brochure under the following circumstances:

- We report any new information in response to Item 9 of Part 2A regarding disciplinary information about the firm or any of its management personnel.
- Any material change that could affect the relationship between you and us.

We will provide, *free of charge*, a new brochure any time at your request, or as may become necessary based on material changes as outlined above.

You may request our brochure by contacting our office at 610-649-9841 or by email at katie@iaadvisors.com. You may also receive this and any other disclosure documents via electronic delivery, where allowed, by signing and returning to us an authorization to deliver disclosure and other documents electronically.

Additional information about Independence Asset Advisors is also available via the SEC's web site at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with our firm who are registered, or are required to be registered, as investment adviser representatives of Gator Capital Management.

Material changes since the last update:

1. There have been no material changes since our last report.

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Item 4 Advisory Business

Our firm is a SEC-registered investment adviser with its principal place of business located in Pennsylvania. The firm began conducting business in 2010.

There is only one principal shareholder owning more than 25% of our firm. The shareholder is:

- Scott David Renninger, President

Our firm offers investment advisory services to you.

As used in this brochure, the words “we,” “our” and “us” refer to Independence Asset Advisors, LLC, and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm.

INVESTMENT ADVISORY AND PORTFOLIO MANAGEMENT SERVICES

Our firm provides continuous outsourced chief investment officer services, investment advisory services, and portfolio management services to institutional clients and to individual clients deemed to be Qualified Purchasers as defined in the Investment Company Act of 1940. An individual who is a Qualified Purchaser owns no less than \$5,000,000 in investments. There are other situations in which a person or entity could be considered a Qualified Purchaser. A more detailed list of customer types we work with can be found in Item 7 of this brochure.

We manage advisory accounts and provide portfolio management services on a discretionary basis. This allows us to authorize the purchase and sale of various investments in keeping with your investment direction without your prior approval. This discretion allows us to determine the securities to be purchased or sold and the amount of the securities to be purchased or sold. In addition, we have the authority, unless specifically restricted in our agreement with you, to select the fund managers or separate account managers which will be used to manage a portion of your assets. We may also terminate managers as necessary. You may revoke this discretionary authority at any time.

Generally, when we select a separate account manager to manage a portion of your assets, you will enter into a separate written investment management agreement with that separate account manager which will detail the nature of your relationship and the responsibilities of each party. At the onset of any such relationship with a separate account manager they should provide you with a copy of their most current Form ADV Part 2A.

In all cases our firm will provide continuous advisory services to you and will continue to provide ongoing monitoring of your investments and review of your account performance. We will continue to monitor and adjust as necessary your asset allocation within established and previously agreed upon ranges as changes in your portfolio or the market may dictate, and we will evaluate and continue to recommend changes to your fund managers and separate account managers which may, in our opinion, be necessary.

We will monitor your account based on your stated objectives. These objectives may include, but are not limited to items such as:

- Preservation of Capital & Income
- Growth and Income

- Capital Appreciation
- Total Return and Tax Considerations

We will develop your investment policy/direction through personal discussions with you in which your individual or firm's goals and objectives are established. We then manage your portfolio based on the investment policy/direction developed with you.

We may from time to time, recommend changes to your investment policy/direction based on our research and opinions regarding specific investments or the markets in general. You may disagree with our assessments and direct us to leave the investment policy/direction as is or to make broader changes to the investment policy/direction.

Without prior prompting on our part you may contact us and request changes to your investment policy/direction. As part of our on-going responsibility to you we will request additional information from you and will render our opinion of your requested changes. If we feel that your request is not in your best interests, we will inform you of that fact.

If either of us feels that we can no longer provide the level of service you require, the investment management agreement can be terminated with notice as detailed in your individual agreement.

As part of our investment advisory and portfolio management services we will create an allocation for your investments managed by us. We will also recommend separate account managers who will manage your assets on a separate account basis. We may also provide investment advice on other investments held at the onset of your advisory relationship with us or on any other investment on which you may request our advice.

If you enter into an investment management agreement with our firm, we will monitor the various investments, fund managers and separate account managers to ensure their performance is in keeping with our expectations and with your investment goals and objectives. When necessary we may add, trim, or remove a specific investment or fund from your portfolio. We may also add and remove specific separate account managers as may become necessary.

You may put reasonable restrictions on how your assets are invested. These restrictions could include, for example, your request that we do not make investments in specific companies, types of securities, industry sectors, or types of alternative investments.

Our investment recommendations to you are not limited to any specific product or service. However, our primary focus will generally be on the following types of investments:

- Institutional Money Managers and Separate Account Managers
- Mutual Funds and Exchange Trade Funds
- Hedge Funds
- Partnerships in Private Equity
- Real Estate Interests
- Credit LPs

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with your needs and circumstances, we will:

- In addition to our regular communication with you we will at least annually contact you to determine whether there have been any changes in your financial situation or investment objectives, and whether you wish to impose investment restrictions or modify existing restrictions;
- Be available to consult with you; and
- Maintain client suitability information in your file.

Our firm provides advice to other clients. In the course of providing advice to you and other clients, we may provide or initiate investments for you that differ from what we advise other clients. We are not obligated to recommend to any or all clients any investments that we may recommend, purchase, or sell to other clients.

All investments involve some level of risk. Investments will only be implemented or recommended when consistent with your investment objectives, tolerance for risk, liquidity and suitability.

Termination of Agreement

You may terminate any investment management agreement with us at any time by notifying Independence Asset Advisors in writing in accordance with the terms of your agreement.

Assets Under Management

As of 12/31/2018, our firm actively manages approximately \$998,926,550 of clients' assets on a discretionary basis. We do not manage non-discretionary assets.

Item 5 Fees and Compensation

INVESTMENT ADVISORY AND PORTFOLIO MANAGEMENT SERVICES

Currently our only clients are Institutional or Individuals who are deemed to be Qualified Purchasers or High Net-Worth Individuals.

Our fee is generally calculated based on a percentage of all your assets under management by our firm including those invested with separate account managers. Generally, we require a minimum annual fee of at least \$120,000 to be generated by your account.

Our annual fee as a percentage of your assets under management by us for Investment Advisory and Portfolio Management Services is billed as follows:

<u>Assets Under Management</u>		<u>Annual Fee</u>
On first	\$ 50,000,000	0.50%
On next	\$250,000,000	0.25%
On next	\$200,000,000	0.20%
On next	\$100,000,000	0.15%
On next	\$100,000,000	0.10%

On next	\$100,000,000	0.075%
Amount Over	\$900,000,000	0.05%

Fees may be negotiable on a client-by-client basis depending on a number of factors, including the type and nature of services to be provided, the number and complexity of alternative assets managed, the amount of assets being managed, and/or anticipated future additional assets managed and the complexity thereof. The specific annual fee schedule is identified in the contract between us.

Fee Calculation - The actual calculation of the fee due each quarter may vary from client to client pursuant to the terms of the client's Investment Management Agreement. Generally, we will proceed as follows:

We will issue an estimated monthly invoice which would be based initially on assets under management upon commencement of the investment management agreement, and thereafter, will be based on the assets under management as identified in our Black Diamond reporting system derived from custodial statements on the last day of each preceding calendar quarter.

Within forty-five days after the completion of every quarter, we will calculate the actual fee for the preceding quarter based on custodial statements and will reconcile against the estimated monthly invoices. If there is a balance owed to us or from us, we will submit an invoice for the balance owed or we will issue a credit to be applied against the next monthly estimated amount. Most clients are invoiced quarterly in arrears.

PRICING OF INVESTMENTS

When we determine the amount of assets under management for the calculation of advisory fees, we utilize the Black Diamond reporting system, an Advent product, and rely on the pricing of investments fed directly to our system as furnished by the custodian, broker-dealer, trust company, or other financial institution that maintains your account. Where the pricing for your investments is either unavailable from the financial institution or we deem that pricing for a particular investment is inconsistent with other reliable sources, we may engage one or more qualified independent pricing services.

Funds invested in public equity or debt generally provide capital account balances and performance data on a daily, monthly, or quarterly basis. Funds invested in private debt, private equity, real estate, or real estate debt may be highly illiquid without a generally public or private market.

For investments without a readily available market and price, we will conduct an individualized review to determine the fair value of the investment. To arrive at the fair value, we may use input from general partners or managers of the funds and of the underlying investment. We will also review available financial information including past performance and the manager's projections for future performance.

In some cases, we may rely on third-party valuation that was obtained by management for other reasons which we may use as a guideline as opposed to a firm indication of the value of that investment.

CONDITIONS AND OTHER EXPENSES

In the event our agreement with you begins at any time other than the first day of a calendar quarter, the fee for the initial period will be pro-rated based on the number of days in the quarter that the agreement is effective.

In the event this agreement is terminated for any reason by either of us, the fee shall be pro-rated for any portion of a quarter that the portfolio is being managed by us. This prorated period would include any notice required to be given in accordance with your investment management agreement.

The fee that you are being charged by us for the investment management of your assets is exclusive of, and in addition to, brokerage commissions, transaction fees, custodial fees, and any other related costs and expenses. We do not receive any portion of these commissions, fees, other costs and expenses.

A portion, or all of your assets that we, or a separate account manager manages may be invested in mutual funds or exchange traded funds. Each fund may charge an annual internal management fee as outlined in their prospectus. This management fee is deducted directly from the account balance you have invested in that specific fund. We do not receive any of these fees. These fees represent additional fees that you are paying above that being charged by us.

Individual separate account managers that we use may also charge a fee based on the portion of your assets that they manage. These fees are also in addition to the fee that we charge. Our firm is not compensated separately in any manner by either the funds or the separate account managers in any investment made by you in any fund or any separate account.

Accordingly, you should review both the fees charged by the funds, by separate account managers, and our fees to fully understand the total amount of fees to be paid by you and to thereby evaluate the advisory services provided.

When we determine that any part of your assets that we directly manage will be invested in a third-party mutual fund, we will always attempt to purchase the lowest cost share class given the size of your investment and any “relationship” benefit, meaning the total assets we have invested with the fund, for which our firm may qualify. If the size of your investment does not meet the necessary minimums, or we do not qualify for a “relationship” benefit, your assets may be invested in a fund that is not the lowest cost share class available for that fund. However, at no time will we invest your assets in a higher cost share class in order to secure any residual payment for the benefit of IAA, such as a 12b-1 fee.

At each month end or quarter end we will send you an invoice for either the estimated monthly billing or for the quarter-end reconciled billing. These invoices are due within 15 days of receipt of the invoice.

Our employees and their family members may be exempt from management fees charged by us to manage their personal accounts.

Advisory Fees in General – Similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Item 6 Performance-Based Fees and Side-By-Side Management

Our firm does not charge performance-based fees or engage in Side-By-Side Management.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client’s account.

Item 7 Types of Clients

Our firm provides advisory services and portfolio management services to the following types of clients:

- Corporations
- Charitable Organizations
- Foundations and Endowments
- Family Offices and High Net-Worth Individuals
- Trusts and Estates
- Other Businesses not listed above

We do not require a minimum account size, however, we do require a minimum annual fee of at least \$120,000. We may choose to decrease or increase the minimum fee requirement at any time in our sole discretion. No increase in the minimum fee will be retroactively applied and will only be applicable at the next anniversary of our agreement with you.

Examples of reasons we may increase or decrease the minimum annual fee would include; the value of all accounts we manage for you which are controlled by you or which are part of your household; the anticipation of additional accounts you may open with us; or the level of complexity required to manage your account(s).

We may also manage assets for employees or family members who may or may not be Qualified Purchasers or High Net-Worth clients. In addition, we may not charge management fees on those accounts.

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

METHODS OF ANALYSIS

In the course of our investment advisory services we perform on your behalf, we will evaluate many facets of an investment. We make an initial determination as to which asset classes are most appropriate based on your objectives and expectations and then we will determine what the allocation will be for any specific asset class including alternative investments. Some of the items we evaluate in the investment decision making process include:

- Absolute and relative performance of funds and separate account managers
- Investment concentrations of funds and separate account managers
- Risk management capabilities of fund managers and separate account managers
- Trading strategies and systems used by fund managers and separate account managers
- Risk level utilized to capture return
- Use of leverage to enhance returns

We also review operational aspects of potential investments, as may be applicable, including:

- Custodial Relationships
- Prime Broker Relationships

- Administrative Services
- Audit and Legal Advisors of Funds and Separate Account Managers

Individual fund managers and separate account managers may use any number of methods of analysis in determining how they manage your assets. In addition to their methods, we may also use one or more of the following methods of analysis in formulating our investment advice and/or managing your assets:

Asset Allocation - Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equity securities, fixed income, alternative investments and cash suitable to your investment goals and risk tolerance. Once we have determined what we feel is the proper broad allocation, we then identify the sectors, investment styles, funds, managers, sub-advisors, securities, etc., to make up that allocation.

A risk of asset allocation is that you may not participate in sharp increases in a particular investment, security, industry or market sector. Another risk is that the ratio of equity securities, fixed income, alternative investments and cash will change over time due to market movements and, if not rebalanced, will no longer be allocated in the manner appropriate for your goals.

Technical Analysis - We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical Analysis does not consider the underlying financial condition of an investment. The risk of this type of analysis is that a poorly-managed or financially unsound investment may underperform regardless of market movement.

Cyclical Analysis - In this type of technical analysis, we measure the movements of a particular investment against the overall market in an attempt to predict the price movement of the investment.

Cyclical Analysis carries the risk that a particular investment may perform counter to previous occurrences.

Mutual Fund/ETF Analysis - We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to successfully invest over a period of time and in different economic conditions.

We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments which may be held in another fund(s) in your portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A specific risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future.

In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by you may purchase the same security, increasing the risk to you if that specific security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate

or strategy of the fund or ETF, which could make the holding(s) less suitable for your portfolio.

Separate Account Manager Analysis - We examine the experience, expertise, investment philosophies, and past performance of separate account managers in an attempt to determine if that manager has demonstrated an ability to successfully invest over a period of time and in different economic conditions.

We monitor the separate account manager's underlying holdings, strategies, concentrations and leverage as part of our overall risk assessment. Additionally, as part of our due-diligence process, we survey the separate account manager's compliance and business enterprise risks.

A risk of investing with separate account managers who have been successful in the past is that they may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a separate account manager's portfolio, there is also a risk that a separate account manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for you.

Moreover, as we do not control the separate account manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

Risks for all forms of analysis – All of the above investment analysis methods rely on the assumption that the rating agencies reviewing these investments, and other publicly-available sources of information about these investments, are providing accurate and unbiased data.

While we try to be aware of any indications that data may be incorrect, there is always a risk that any analysis, as a result of incorrect data, may be compromised and therefore incorrect. This may result in the poor performance of your investments or a loss of your principal.

INVESTMENT STRATEGIES

We may direct the use of a single strategy or multiple strategies in managing your account(s). We review any strategy used for your account(s) to make sure that they are appropriate to your needs and are consistent with your investment objectives, risk tolerance, time horizons, and other considerations. The following are the primary types of investment strategies utilized in the management of your account(s).

Asset Allocation – We will use asset allocation, tactical allocation, and rebalancing as primary investment tools to generate return. Leverage may also be used on a limited basis to augment return. We will also take into account other considerations in selecting appropriate investments including capitalization, credit quality, capital structure, currency exposure and risk and return ratios.

Tactical Rebalancing - We will use rebalancing as a tool to enhance return and manage risk based on the concept of Regression To the Mean (RTM). We will take into account other considerations in selecting appropriate changes to asset allocation, including valuations based on market price to earnings or capitalization, credit quality, liquidity, capital structure, currency exposure and other risk and return ratios.

Fund Manager and Separate Account Manager Selection – We may recommend that as part of your investment strategy, you allocate a portion of your assets among certain fund managers and separate account managers that are aligned with your investment objectives and expectations.

We will look for certain attributes when selecting managers for recommendation to you including their management style, performance, reputation, financial strength, reporting capabilities and their compliance program and adherence to its policies and procedures.

Long-term purchases – Investments are purchased with the idea of holding them in your account for twelve (12) months or longer. Typically this strategy is employed when:

- It is believed the investments are currently undervalued, and/or
- It is thought that exposure to a particular asset class over time is desirable, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, it may not be possible to take advantage of short-term gains that could be profitable to you. Moreover, if the projections are incorrect, an investment may decline in value before the decision is made to sell, resulting in loss to your portfolio.

Short-term purchases - When utilizing this strategy, investments are purchased with the idea of selling them within a relatively short time which is typically twelve (12) months or less. This is done in an attempt to take advantage of conditions that are believed will soon result in a price swing in the investments purchased.

A risk in this strategy is that an investment is sold before it has made the move upward that was anticipated, or that after the investment is sold it continues to move higher.

Alternative Investments - We may use alternative investments as part of the overall investment strategy. These alternative investments will be managed by third party managers in the form of funds or may be managed by sub-advisors in separate account portfolios.

RISK of LOSS

Investments in most any type of securities involve the risk of loss. The types of risks that you may experience include;

- **Loss of Principal Risk**
- **Interest Rate Risk**
- **Market Risk**
- **Inflation Risk**
- **Currency Risk**
- **Liquidity Risk**
- **Business Risk**
- **Financial Risk**

Past performance of any security does not guarantee future results.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to your evaluation of our

advisory business or the integrity of our management personnel.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Affiliations

- Scott D. Renninger, our President, is the Chief Investment Officer of Captive Resources, LLC. Captive Resources, LLC is the sub-advisor to The Captive Investors Fund, a \$4.0 billion mutual fund that manages investments for offshore captive insurance companies. Mr. Renninger is also a director and chairman of The Captive Investors Fund.

We do not recommend to any of our clients that they invest in or with Captive Resources, LLC, or in The Captive Investors Fund. None of our client's is an investor with Captive Resources, LLC, or in The Captive Investors Fund. Furthermore, The Captive Investors Fund is restricted to only Cayman Island domiciled insurance companies and is only offered through a formal offering memorandum to clients of Captive Resources, LLC.

Scott D. Renninger currently spends a considerable amount of time in his role as Chief Investment Officer of Captive Resources, LLC.

Other Activities and Compensation Arrangements

Our firm does not receive any additional compensation for services or products from any other entity. In addition, we do not receive any additional compensation for placing your assets in a mutual fund, exchange traded fund, or with a separate account manager.

In the future if a conflict were to arise with regard to our other Financial Industry Activities or Affiliations, including the receipt of compensation from those sources we would;

- Disclose in this section to you the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation in addition to our firm's stated advisory fees;
- Disclose to you that you are not obligated to purchase recommended investment products from our employees or affiliated companies;
- Require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- Periodically monitor outside employment activities of our employees to verify that any conflicts of interest continue to be properly addressed by our firm.

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

CODE of ETHICS

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that

we require of our employees, including compliance with applicable federal securities laws.

We feel that our firm and its employees owe a duty of loyalty, fairness and good faith towards all of our clients, and have an obligation to adhere not only to the specific provisions of our Code of Ethics but to the general principles that guide the Code of Ethics.

The purpose of our Code of Ethics is to reinforce the fiduciary principles that govern the conduct of our firm and the actions of our advisory personnel. Each member of the firm is instructed to act in the best interests of all of our clients, to avoid any real or potential conflicts of interest, and to conduct their personal activities with the utmost of integrity.

Our Code of Ethics has been distributed to all members of the firm. The following is a summary of the policies contained in our Code of Ethics:

- Standards of Business Conduct
- Compliance with Federal Securities Law
- Review and/or Approval of Personal Securities Transactions of all Access persons. For the purposes of Independence Asset Advisors, all full-time employees are considered to be Access Persons.
- Ability to Purchase the Same Securities Recommended to or Owned by Firm Clients Subject to Approval
- Obligation to Report Violations and Enforcement of Sanctions Where Necessary
- Annual Employee Certification Required if material changes are made.

Our Code of Ethics includes policies and procedures for the review of proposed transactions, quarterly securities reporting, initial and annual securities holdings reports that must be submitted by the firm's access persons, and restrictions on the acceptance of significant gifts and the reporting of gifts and business entertainment items incurred by our personnel. Our code also provides for oversight, enforcement and recordkeeping provisions.

Our Code of Ethics also prohibits the use of material non-public information. We do not believe that we have any particular access to non-public information, however, employees are reminded such information, if received, may not be used in any manner.

You may receive a free copy of our Code of Ethics by sending your request to katie@iaadvisors.com, or by calling us at 610-649-9841.

INTEREST in CLIENT TRANSACTIONS

Our firm does not participate in Principal Trades. Principal transactions are those where our firm, acting on behalf of our own account, would buy or sell a security to you or another client.

An Agency Cross transaction is one in which our firm acts as a broker for both the buyer and seller of a security, both parties whom are clients of our firm. Generally, we do not participate in Agency Cross transactions, however, should we feel that such a transaction is in the best interests of both our participating clients, we will do so without receiving any compensation and in accordance with the following guidelines:

- The advisory client must execute a written consent in advance of the trade that authorizes agency

cross-transactions. This written consent must come after full written disclosure that the investment advisor will act as a broker for and have a potentially conflicting division of loyalties and responsibilities to both parties to the transaction.

- The advisor must send each client a written confirmation at or before the completion of each transaction that includes (1) a statement of the nature of this transaction, (2) the date this transaction took place, (3) an offer to furnish upon request the time when this transaction took place and (4) the source and amount of any other remuneration received or to be received by the investment advisor.
- The advisor must send each client an annual statement identifying the total number of these transactions since the last summary, and the total amount of all remuneration received or to be received by the investment advisor. Each written statement must conspicuously disclose that consent may be revoked.

We do not recommend to you or other clients that you take a position in a security in which our firm, our employees, or our related persons has a material financial interest.

PERSONAL TRADING

Our Code of Ethics is designed to assure that the personal securities transactions by our employees, and the activities and interests of our employees will not interfere with:

- Making decisions in your best interests; and
- Implementing such decisions while, at the same time, allowing our employees to invest for their own accounts.

Our firm and employees of our firm may make recommendations to you for the purchase or sale of securities that we either may:

- Already have an interest in; or
- Subsequently may invest in

Our firm and our employees may buy or sell for their personal accounts securities identical to or different from those recommended to you. In addition, any related person(s) may have an interest or position in securities which may be recommended to you or which you may own.

It is the written policy of our firm that no person employed by us may purchase or sell any security first if we have knowledge that a trade in the same security is being executed for your account. This prevents the employee(s) from benefiting from transactions placed on behalf of your account(s).

The exception to this is the purchase or sale by our employees of open-end mutual funds and open-end exchange traded funds that are not unit investment trusts and for whom we are unaffiliated, direct obligations of the U.S. Government, banker's acceptances, bank certificates of deposit, commercial paper, high quality short term debt instruments, and money market funds. This policy generally prevents the employee(s) from benefiting from transactions placed on behalf of your account(s).

However, because we utilize fund managers and separate account managers to manage the assets of your account and to execute transactions for your account, as a practical matter we generally would have no

knowledge of the timing or specifics of any transaction they would be making for your account.

Nonetheless, if any employee did have knowledge or any information regarding the timing or specificity of a proposed transaction for your account, other than as indicated above, the employee would not be allowed to enter into that trade until your transaction had been completed.

As situations like these may represent actual or potential conflicts of interest to you, we have established the following policies and procedures as part of our Code of Ethics to ensure we comply with our regulatory obligations and to provide you, other clients, and other potential clients, with full and fair disclosure of such conflicts or potential conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of your account(s).
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is based on information received because of his or her employment unless the information is available to the investing public.
- We may ban or otherwise require prior approval for any IPO or private placement investments by any employee or related persons of the firm.
- We maintain a list of what we consider to be "Covered" or "Reportable" securities holdings for our firm, our employees, and anyone associated with our firm that has access to our investment recommendations. This person is referred to as an "Access Person".
- Any individual who violates any of the above restrictions may be subject to varying levels of disciplinary action including termination.
- We will maintain all records regarding personal securities transactions as is detailed in Rule 204A-1 of the Investment Advisors Act of 1940.

Item 12 Brokerage Practices

RESEARCH and SOFT DOLLAR BENEFITS

Our firm does not maintain any third-party soft dollar arrangements or agreements with any broker-dealer.

Fund managers and separate account managers may have soft-dollar arrangements with broker-dealers. Those arrangements should be disclosed in their Form ADV Part 2A.

Normally, if not directed by you to use a specific custodian/broker dealer, we may recommend one to you. In our process of recommending a custodian and/or broker dealer, we will take into consideration a number of different factors. This includes:

- Types of investments held by your account;
- Fees, expenses and cost of services;
- Execution of investment transactions;
- Custody services;
- Research;

- Access to mutual funds and other investments generally available only to institutional investors or individual investors with significantly higher minimum initial investment requirements;
- Administrative support;
- Record-keeping and related services intended to support intermediaries like us in conducting business and in serving the best interests of our clients; and
- Responsiveness in their communications with us.

We will generally consider several different options and will keep you informed of our decision. You will maintain the ability to request that we utilize someone different than who we ultimately may recommend.

While we generally will seek a custodian and/or broker-dealer with competitive rates, you may pay a commission or other charges to the custodian and/or broker-dealer that may be higher than another qualified custodian and/or broker-dealer might charge to maintain custody or effect the transactions where we determine in good faith that the charges and commission is reasonable relative to the value of custodial and brokerage 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 custodian/broker-dealer's services, including the execution capability, commission rates, bid/ask spreads, and responsiveness.

Fund managers and separate account managers may also use specific broker-dealers with whom they may receive certain benefits such as research. This information will be disclosed in the manager's Form ADV Part 2A.

The fund manager or separate account manager's use of certain broker-dealers for your account may result in benefits for their other clients even though the other clients may not use the same broker-dealers.

BROKERAGE for CLIENT REFERRALS

Our firm does not receive or participate in any program whereby we receive client referrals in exchange for using any particular broker-dealer.

We do not receive any form of compensation from any custodian or broker-dealer.

CUSTODIANS AND DIRECTED BROKERAGE

You are under no obligation to use any particular custodian or broker-dealer. We are regularly asked if we can recommend a custodian or a particular broker-dealer. We may have existing relationships with custodians or broker-dealers that we feel will provide you with a high level of quality service and we may recommend those firms to you.

However, you are free to use any custodian or broker-dealer that you may choose. If you should request that we utilize a specific broker-dealer that is someone we do not utilize on a regular basis you should be aware that your choice may interfere with our third-party manager's and sub-advisor's ability to obtain the most competitive pricing for your purchase or sale of investments. This may impact the price

at which your investment is bought or sold and may impact the commission cost you pay for your order.

If you allow us, or the fund managers and separate account managers to choose the custodian and/or broker-dealer for your account, your investment management agreement will reflect that you are providing our firm or the fund managers and separate account managers with the authority to determine the custodian and/or broker-dealer to use. In addition, you will be allowing our firm or the fund managers or separate account managers to negotiate the fees on your behalf or to choose the commission costs that will be charged to you for these investments.

You may change your custodian or broker-dealer at any time, as well as amend or revoke discretionary authority at any time by providing our firm, the fund manager or the separate account manager with written notice as may be detailed in your investment management agreement with them.

TRADE AGGREGATION and ALLOCATION

Our firm generally does not execute the specific transactions for your account. As a result, we generally do not aggregate and allocate trades, although in very limited instances we may do so at our sole discretion.

We may recommend fund managers and separate account managers that may aggregate and allocate your investment transactions with like transactions for their other clients. If these fund managers and separate account managers do aggregate and allocate some or all of their transactions in order to seek “best execution” that information should be disclosed in their Form ADV Part 2A.

The process of combining or “batching” these orders oftentimes allows us, the fund manager or separate account manager, to negotiate more favorable commission rates. This process allows for the allocation equitably among you and other clients, the differences between prices, commissions, and other transaction costs that you and other clients may not have received had each trade been placed independently. This allows you to receive the average price paid or received as well as to share in the purchase or sale pro-rata in the event that an order is only partially completed.

Even though we, the fund manager and/or separate account manager may aggregate trades, each may also choose not to aggregate orders for a number of different reasons. Reasons that an order may not be aggregated include:

- Only a small percentage of an order is completed and thus the shares may be assigned to the account with the smallest order or position, or that is out of line with respect to a security or sector weightings.
- Allocations may be given to one account when that account has investment limitations which restrict it from purchasing other investments which are expected to produce similar investment results.
- If an account reaches an investment guideline limit and cannot participate in an allocation which may occur due to unforeseen changes in account assets after an order is placed.
- Sale allocations may be given to accounts that are low in cash.
- When a pro rata allocation would result in a de minimis allocation in one or more accounts.
- In the case where a proportion of an order is filled in all accounts, shares may be allocated

to one or more accounts on a random basis.

Again, you should review the Form ADV Part 2A of each of your fund managers and separate account managers for specifics regarding their policies for Trade Aggregation and Allocation.

Item 13 Review of Accounts

INVESTMENT ADVISORY SERVICES

Review of Account(s) -

We continually monitor your account. On a monthly and quarterly basis, we will monitor your account with regard to cash, compliance with your investment objectives and or investment policy/direction, and the appropriateness of the investments used to meet your objectives.

We will conduct portfolio reviews to evaluate whether portfolio performance, diversification, and risk levels are appropriate in accordance with your investment objectives and guidelines.

We will conduct periodic reviews of fund managers and separate account managers to evaluate their performance in absolute terms and relative to other managers managing to a similar style.

We will monitor their adherence to their investment mandate and review underlying assets that make up their portfolio. We will also review certain operational capabilities including their compliance program. We will periodically conduct a due diligence review of each fund manager and separate account manager.

Your specific account is also reviewed in the context of material events which may impact your stated investment objectives and guidelines. These material events may include:

- Market driven events;
- Economic events; and
- Political events.

In addition to our reports, you should receive at least a quarterly report from the qualified custodian of your accounts.

We generally perform reviews of your account(s) on a monthly or quarterly basis.

Regular Reports –

On a monthly or quarterly basis you will receive a report that details the securities held, security cost, current security market values, an estimated value for restricted securities, and a summary of account activity in the current period, as well as performance returns directly from your custodian(s), the funds in which you may be invested, and/or any separate account manager that manages a portion of your assets for each account you may have.

We will also provide monthly or quarterly informational packages to you that will include qualitative reports and analysis regarding the performance of your investments with fund managers and separate

account managers.

Item 14 Client Referrals and Other Compensation

Our firm does not engage solicitors or pay any related or non-related persons for referring potential clients to our firm.

It is our policy not to accept or allow our employees and related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to you.

Item 15 Custody

Our firm does not have actual or constructive custody of any client accounts.

In addition to the periodic statements that you receive directly from your qualified custodians, funds, and separate account managers, we may also send or provide via electronic format, portfolio summaries and analyses directly to you on a monthly or quarterly basis.

We urge you to carefully compare the information provided on these statements to the statements you receive from the qualified custodian to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

All of our accounts are generally discretionary in nature. We will request that we be given discretionary authority from the outset of our advisory relationship so that we may provide discretionary asset management services for your accounts. You may deny such authority. If that authority is denied or revoked in the future we may, at our sole discretion, choose not to enter into, or to terminate any advisory relationship with you.

When you agree to give us discretionary authority we can place or authorize others to place trades in your account without contacting you prior to each trade to obtain your permission.

Our discretionary authority includes the ability to do the following without contacting you:

- Determine the security to buy or sell;
- Determine the amount of the investment to buy or sell; and
- Determine the funds or separate account managers to use to manage your account.

In all cases this discretion is to be used in a manner consistent with the stated investment objectives for your account.

When we select investments and determine the amount of an investment to buy or sell, we will observe the investment policies and any limitations or restrictions which you may have given us to follow.

You give us discretionary authority when you sign a discretionary investment management agreement

with our firm, and you may limit this authority by giving us written instructions in advance of entering into an agreement. You may also limit this authority at any time after entering into an agreement while that agreement remains in effect by once again providing us with written instructions. These limitations and other instructions will become a part of your permanent file.

Item 17 Voting Client Securities

We will not vote proxies for your account. You retain the right and responsibility for voting any proxies or corporate actions.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

If we maintain discretionary authority for your account or are deemed to have actual or constructive custody of your assets or collect fees as described in the preceding paragraph, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations.

Our firm has no financial circumstances to report. Additionally, our firm has not been the subject of a bankruptcy proceeding at any time.