

## Focus Point Capital LLC

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This brochure provides information about the qualifications and business practices of Focus Point Capital LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Additional information about Focus Point Capital LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Focus Point Capital LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment advisor provide you with information you need to determine whether to hire or retain the advisor. The Firm's CRD number is 155819.

## Focus Point Capital LLC

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Our previous annual update was dated March 12, 2018. This item will be updated with the next annual updating amendment to reflect material changes to the Part 2.

**Cover Sheet:** Updated address:

Focus Point Capital LLC  
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Boulder, CO 80304

**Item 4:** As of December 31, 2018, we managed \$26.1 million on a discretionary basis and \$0 on a non-discretionary basis. In addition we provide advice on an additional \$88.8 million in assets.

**Item 5:** Updated fees for Consulting services. Removed hourly fee option.

Consulting services are based on a fixed fee arrangement ranging from \$5,000 - \$10,000 per month as negotiated with client on a case-by-case basis. Clients receive an invoice at the end of each month for the agreed to fee that is payable upon receipt. Fees for this service are payable by check or wire.

**Item 10:** Through Focus Point Strategy Mr. Seviaan acts as a consultant providing transactional services and business consulting related to the purchase, sale, strategy and operation of operating entities. Because the type of companies Mr. Seviaan advises on are different than those held in client portfolios there is no overlap or conflict of interest in trading. Mr. Seviaan expects to spend approximately 50% of his time engaged in activities for Focus Point Strategy.

**Item 15:** For accounts where the client has a standing letter of authorization that allows us to transfer money between accounts specified by the client, we are also deemed to have custody. We follow the guidance outlined in the Investment Adviser Association no-action letter dated February 21, 2017, for these accounts. A copy of this letter is available upon request.

## ITEM 3

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## **ITEM 4: ADVISORY BUSINESS**

### **Who We Are**

Focus Point Capital LLC ("Focus Point") has been in business and registered as an investment advisor since January of 2011. Focus Point's principal owner is Caleb S. Sevian who also serves as the Chief Executive Officer and Chief Investment Officer of the firm.

### **Services We Offer**

#### **Consulting**

We consult with clients on a discretionary or non-discretionary basis. Some of the services we offer are, but are not limited to:

- increase organizational efficiencies related to asset management,
- optimize asset allocation,
- review and recommend managers or strategies,
- suggest, create and implement strategic or tactical asset allocations, and
- construct individualized portfolios of managers or securities based on specific client requests.

#### **FPC Macro**

FPC Macro is a proprietary blend of ETFs that together combine to represent a broadly diversified portfolio across multiple asset classes including, U.S. equities, international developed equities, emerging market equities, commodities, MLPs, precious metals, real estate investment trusts, and U.S. Treasury securities. Allocations among asset classes are driven by a proprietary market indicator which measures fundamental market valuation, volatility and technical measures.

#### **Sub-Advisory Relationship**

We also manage certain accounts in a sub-advisory capacity for Fortuna Asset Management, LLC. These accounts are handled on a discretionary basis. We may also provide Investment Management Services as a sub-adviser; in other words, a client may engage an independent investment adviser (the "Sponsor") which, in turn, will engage Focus Point to provide portfolio management services to all or part of the clients' portfolios. In this situation, we will receive a portion of the management fee charged by the independent adviser to the client, typically ranging from 50% to 75%, based on the size and complexity of the client's account and the agreement between us and the Sponsor. Clients should refer to the Sponsor's disclosure documents for full information on the Sponsor's advisory services.

We do not participate in wrap fee programs.

### **Assets Under Management**

As of December 31, 2018, we managed \$26.1 million on a discretionary basis and \$0 on a non-discretionary basis. In addition we provide advice on an additional \$88.8 million in assets.

## **ITEM 5: FEES AND COMPENSATION**

### **Consulting**

Consulting services are based on a fixed fee arrangement ranging from \$5,000 - \$10,000 per month as negotiated with client on a case-by-case basis. Clients receive an invoice at the end of each month for the agreed to fee that is payable upon receipt. Fees for this service are payable by check or wire.

You may cancel our consulting agreement at any time by providing written notice. Upon cancellation, we will present you with an invoice for time spent, which is payable upon receipt.

### **FPC Macro**

Fees are generally 0.75% per year of the assets under management, billed on a monthly basis. The fee is billed in advance, based on the value of the assets under management as of the first day of the month. We may negotiate lower fees based on amount of managed assets.

You may provide authorization for us to deduct our fees directly from your investment account. Important information about the deduction of management fees:

- You must provide authorization for us to deduct fees by initialing the appropriate section of our contract.
- Focus Point will send a detailed invoice each quarter showing the fee calculation at the same time we request payment from the custodian.
- You will receive a quarterly (or more frequent) statement from your custodian which shows all transactions in your account, including the deduction of our fee.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

You may elect to pay by check rather than having payment deducted directly from your account.

You may end our advisory relationship by providing 30 days written notice. We will prorate the advisory fees earned through the termination date and send you a refund of the prepaid, unearned portion of your fee. We process refund payments within 30 days of the termination date and will send you a check or refund your investment account. In either case we will provide a final invoice detailing the calculation of the refund.

### **Other Costs Involved**

In addition to our advisory fees shown above, expenses associated with making investments on behalf of clients will also be incurred. These fees include:

- mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

## Grandfathering of Minimum Account Requirements

Pre-existing advisory clients are subject to our minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm’s minimum account requirements may differ among clients.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not receive a portion of the realized and or unrealized gains in our clients’ accounts.

## **ITEM 7: TYPES OF CLIENTS**

We provide investment advisory services to high net worth and institutional clients which include trusts, endowments, foundations, investment advisors and pension funds.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### Investment Philosophy

Focus Point’s core beliefs can be summarized in the following statements:

- Preserve capital and focus on downside mitigation and above all else, we try to construct portfolios that plan for market downturns and incorporate strategies that are hedged, or immediately compensate for market turmoil as a systematic part of our process.
- Focus on liquidity and matching our needs for capital with our ability to extract capital based on the terms of our investments.
- Integrity and intellectual honesty – most of these asset classes and strategies can be complex so we are committed to helping our clients try to understand the potential upsides and downsides in each strategy.

### Our Method for Constructing Portfolios of Securities

Focus Point Capital utilizes a proprietary risk model to measure the overall health of the financial markets. The risk model is constructed using fundamental, technical, volatility and price factors, which are combined to create a signal used to stratify the investment environment into risk regimes. The factors can be grouped into three broad categories: Fundamental, Technical, and Volatility.

#### ***Fundamental***

The Fundamental Indicator attempts to determine the long-term trend of the equity markets by evaluating intrinsic valuation versus relative liquidity while factoring in current economic momentum. Simply speaking, our model signals to buy when fundamental valuations are low or reasonable and liquidity is high, and sell when fundamental valuations are high and liquidity is low.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

### ***Volatility***

The Volatility Indicator measures changes in volatility in the equity, fixed income, commodity and currency markets in an attempt to look for directional moves and relationships that might indicate the markets are under stress. Frequently, in times of market turbulence, volatility spikes. When this happens simultaneously across many asset classes it generally signals extreme levels of stress that may lead to a significant sell off in equity prices.

A risk of this approach is that volatility may increase in conjunction with, or after, a downturn is in process rather than in advance, limiting volatility's effectiveness as a forward looking indicator.

### ***Technical***

The Technical Indicator combines both mean reverting and trend following technical analysis tools to determine optimal times to own the equity markets. Generally speaking, the Indicator is long-term, looking for entry points when the market is extremely oversold and has begun to trend up. It then continues to indicate a long trade until the trend is clearly broken.

Technical analysis does not consider the underlying financial condition of a company or the markets in general. This presents a risk in that a poorly-managed or financially unsound company may under-perform regardless of market movement.

We may also construct individualized portfolios for clients based on specific requests, or that incorporate only portions of our overall process.

## **Our Methods for Constructing Portfolios of Managers**

Our methods and process can be broken down into three distinct categories: Portfolio Construction, Portfolio Monitoring, and Risk Management.

### ***Portfolio Construction***

We construct portfolios with the goal of broad diversification among asset classes, strategies and investment philosophies. Each asset class will typically have a minimum and maximum allocation. This allocation may change from time to time based on the needs of the Client or Fund, our assessment of market conditions and our subjective judgment. We will attempt to further diversify the Fund's portfolio by including third-party fund managers who tend to focus on and have philosophies consistent with long-term investing and who tend to be oriented more towards short-term trading. We maintain a database of managers that we monitor regularly via correspondence with such managers, ad hoc phone calls and meetings, and on-site visits. We rank such managers by both qualitative and quantitative factors. The managers with the highest rankings in each asset class comprise the short list from which we ultimately select managers after completing due diligence, which may include further analysis of the manager's process, meetings with key portfolio managers, operational due diligence, and reference and background checks.

## Portfolio and Manager Risk Monitoring

Focus Point monitors the managers to assure they are within our risk and return expectations. Where possible, we monitor managers' asset allocations, risk exposures, and holdings for compliance with stated investment objectives and style drift. Focus Point may also routinely monitor managers by conducting ad hoc conversations with members of its management team, site visits, regulatory filing reviews and media searches.

### ***Risk Management***

*Market Risk Management.* Market Risk is monitored through Focus Point's proprietary equity market risk indicators discussed above that monitor equity market attractiveness based on three indicators: technical, volatility, and fundamental. During portfolio construction, we will attempt to carefully build the portfolio with the goal of performing well in a variety of market environments, but may also use proprietary equity market risk indicators to make tactical adjustments perceived to enhance the probability of meeting investment objectives. These adjustments may include but are not limited to: increasing or decreasing allocations to managers or making investments in individual securities to increase or decrease equity market exposure.

All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situation at all times. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We do not have, nor have we ever had, any legal or disciplinary events to disclose, including any criminal or civil actions, administrative proceedings before the SEC or any other regulatory agency, or proceedings before any self-regulatory organization.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

As a registered investment advisor, we are required to disclose when FocusPoint, or any of our principals, have any other financial industry affiliations.

Through Focus Point Strategy Mr. Sevia acts as a consultant providing transactional services and business consulting related to the purchase, sale, strategy and operation of operating entities. Because the type of companies Mr. Sevia advises on are different than those held in client portfolios there is no overlap or conflict of interest in trading. Mr. Sevia expects to spend approximately 50% of his time engaged in activities for Focus Point Strategy.



## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

Our personnel owe a fiduciary duty to all of our clients. We have adopted a Code of Ethics that governs the professional conduct of our managers, members, and associates. Our Code of Ethics provides, among other things, that:

- (1) all Focus Point personnel must put the interests of the firm's clients ahead of their own;
- (2) all personal securities transactions engaged in by firm personnel must be conducted in such a manner as to be consistent with the firm's Code of Ethics regarding personal securities transactions and to avoid any actual or potential conflicts of interest or any abuse of the person's position of trust and responsibility;
- (3) any person acting in the capacity of an investment adviser must not take inappropriate advantage of his/her position of trust;
- (4) all information regarding firm clients must be kept strictly confidential;
- (5) all personnel must adhere to the principle that independence in the investment decision-making process is paramount; and
- (6) each person in the firm bears ultimate responsibility for acting with honesty, integrity, and professionalism in conducting firm business.

A copy of our Code of Ethics is available to clients and prospective clients upon request.

### **Personal Trading for Associated Persons**

We may buy or sell some of same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated persons if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed as part of a block trade with client trades, or individually after client trades have been completed. Additional information about block trades is provided in "Item 12: Brokerage Practices." When our trades are placed after our client trades, we may receive a better or worse price than that received by the client. Focus Point acknowledges its fiduciary duty to act in the best interest of the client.

Focus Point and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.

## ITEM 12: BROKERAGE PRACTICES

### The Custodian and Brokers We Use

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see “Item 15: Custody”). Your assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (“Schwab”), a FINRA-registered broker/dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account, as described in the next paragraph.

### How We Select Brokers/Custodians to Recommend

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “*Products and Services Available to Us From Schwab*”)

### Your Brokerage and Custody Costs

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited

(settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

## Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Here is a more detailed description of Schwab's support services:

### Services That Benefit You.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

### Services That May Not Directly Benefit You.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

### Services That Generally Benefit Only Us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

## Aggregation of Orders

There are occasions on which portfolio transactions will be executed as part of concurrent authorizations to purchase or sell the same security for a client account and/or one or more of our associated persons.

We may choose to block (aggregate) trades for your account with those of other client accounts and personal accounts of persons associated with Focus Point. When we place a block trade, all participants included in the block receive the same price per share on the trade. The price is calculated by averaging the price of all of the shares traded. Due to the averaging of price over all of the participating accounts, aggregated trades could be either advantageous or disadvantageous. Commission costs are not averaged. You will pay the same commission whether your trade is placed as part of a block or on an individual basis. The objective of the aggregated orders will be to allocate the executions in a manner that is deemed equitable to the accounts involved. Focus Point acknowledges its fiduciary duty to act in the best interest of the client.

## Directed Brokerage

You may instruct us to execute any or all securities transactions for your account with or through one or more broker/dealers designated by you. In these cases, you are responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by the broker/dealers and you are satisfied with the terms and conditions. We have no responsibility for obtaining the best prices or any particular commission rates for transactions with or through the broker/dealer in these situations. You recognize that you may not obtain rates as low as you might otherwise obtain if we had discretion to select broker/dealers other than those chosen by you. If you would like us to cease executing transactions with or through the designated broker/dealer you must notify us in writing.

## Soft Dollars

"Soft dollars" are typically generated when an investment advisor enters into an agreement with an executing broker to receive a portion of the commissions generated by the advisor's client trades. The soft dollars are allocated to the investment advisor and can then be used to purchase items or services. The investment advisor has a fiduciary duty to its clients to obtain best execution, on an overall basis, for any securities transactions.

We do not use soft dollars as described above. However, the receipt of goods and/or services from a third party in connection with providing advice to clients could be seen as "soft dollars." The additional services we receive from Schwab, as disclosed in the section entitled "Products and Services Available to Us From Schwab" above, would fall under this description of soft dollars.

## ITEM 13: REVIEW OF ACCOUNTS

Caleb Sevan, our Chief Investment Officer reviews client accounts daily to see if the holdings match our expectations and the accounts' risk profiles.

Clients receive monthly reports which will be sent directly from their custodian.

Focus Point provides monthly performance estimates for FPC Macro.

Reports for consulting clients are determined on a case-by-case basis but generally include monthly reports provided by the custodian directly to the client.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see “Item 12: Brokerage Practices”). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We may, however, from time-to-time, enter into arrangements with one or more third party solicitors to solicit qualified clients for, or refer qualified clients to, Focus Point. Such arrangements may vary on a case-by-case basis. When Focus Point enters into an arrangement with a solicitor, the terms of the arrangement are set forth in a written agreement between Focus Point and the solicitor that, among other things:

- (i) describes the solicitor’s activities and the compensation to be paid for those activities,
- (ii) contains the solicitor’s undertaking to perform those duties under the agreement consistent with Focus Point’s instructions as well as the Investment Advisers Act and the rules thereunder, and
- (iii) requires the solicitor, at the time of any solicitation, to provide the prospective client with a copy of Focus Point’s brochure and a separate written disclosure document prescribed by the Securities and Exchange Commission under the Investment Advisers Act for such solicitation arrangements.

Prior to entering into an advisory contract with the prospective client, Focus Point will obtain from such prospective client a signed and dated acknowledgement of receipt of Focus Point’s brochure and the solicitor’s written disclosure document. In all cases involving solicitors, the compensation to be paid to a solicitor will be paid solely by Focus Point, and the amount and level of advisory fees charged by Focus Point to any client solicited or referred by a solicitor will not be different from the amount and level of advisory fees charged by Focus Point to other clients. We will comply with the requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended, and any similar state rule or statute.

## **ITEM 15: CUSTODY**

If you give us authority to deduct our fees directly from your separately managed account, we have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the procedures outlined in “Item 5: Fees and Compensation.” For accounts where the client has a standing letter of authorization that allows us to transfer money between accounts specified by the client, we are also deemed to have custody. We follow the guidance outlined in the Investment Adviser Association no-action letter dated February 21, 2017, for these accounts. A copy of this letter is available upon request.

You will also receive quarterly statements directly from custodian of the account that detail all transactions in the account.

## **ITEM 16: INVESTMENT DISCRETION**

As one of the conditions of managing a separately managed account, you are required to provide discretionary authority for us to manage your assets. Discretionary authority means that you give us a limited power of attorney to place trades on your behalf. This limited power of attorney does not allow us to withdraw money from your account, other than advisory fees if you agree to give us that authority.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for your account(s).

We also offer non-discretionary advisory services. If you elect to engage us to manage assets on a non-discretionary basis, we will contact you before each trade is placed in your account.

All accounts are managed using the investment strategy described in the “Methods of Analysis, Investment Strategies and Risk of Loss” section above. You may impose restrictions on investing in certain securities or types of securities in a managed account.

## **ITEM 17: VOTING CLIENT SECURITIES**

As a matter of policy and as a fiduciary to our clients, we have responsibility for voting proxies for your portfolio securities consistent with your best economic interests. We maintain policies and procedures as to the handling, research, voting and reporting of proxy voting and make appropriate disclosures about our proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. You may provide direction regarding any particular proxy solicitation.

You may request a copy of our Proxy Policies and Procedures and/or information about how a proxy was voted at any time.

You may elect to retain the authority to vote the proxies yourself. In this case, you will receive proxies and other related paperwork directly from your custodian. Upon request we will provide guidance about voting a specific proxy solicitation.

## **ITEM 18: FINANCIAL INFORMATION**

We do not charge or solicit pre-payment of more than \$500 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.