

Snowden Capital Advisors LLC

540 Madison Avenue, Floor 9
New York, New York 10022

Phone: (646) 218-9760

Fax: (646) 218-9778

www.snowdenlane.com

Form ADV Part 2A Firm Brochure

March 29, 2019

This brochure provides information about the qualifications and business practices of Snowden Capital Advisors LLC. If you have any questions about the contents of this brochure, please contact us at (646) 218-9760 and/or compliance@snowdenlane.com.

The information in this brochure has not been approved or verified by the U. S. Securities and Exchange Commission (the "SEC") or by any state securities authority. Additional information about Snowden Capital Advisors LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Snowden Capital Advisors LLC is an investment adviser registered with the U.S. Securities and Exchange Commission. Such registration does not imply a certain level of skill or training.

ITEM 2 MATERIAL CHANGES

Snowden Capital Advisors LLC (“SCA”) filed its last update of its brochure on March 29, 2018.

This brochure (the “Brochure”) includes information regarding certain material changes made since SCA’s last filing, including:

- Item 4 reflects updated assets under management
- Item 15 – Notes regarding possible deemed custody

ITEM 3 TABLE OF CONTENTS

ITEM 2	MATERIAL CHANGES	2
ITEM 3	TABLE OF CONTENTS	3
ITEM 4	ADVISORY BUSINESSES	5
A.	Description of SCA, Principal Owners	5
B.	Description of SCA's Advisory Services	5
C.	Availability of Customized Services for Individual Clients	8
D.	Portfolio Management Services to Wrap Fee Programs	9
E.	Assets Under Management	9
ITEM 5	FEES AND COMPENSATION.....	9
A.	Compensation for Advisory Services	9
B.	Payment of Fees	12
C.	Other Fees and Expenses.....	12
D.	Prepayment of Fees	13
E.	Additional Compensation and Conflicts of Interest.....	13
ITEM 6	PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT ...	14
ITEM 7	TYPES OF CLIENTS.....	14
ITEM 8	METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	14
A.	Methods of Analysis and Investment Strategies	14
B.	Material, Significant, or Unusual Risks Relating to Investment Strategies	14
C.	Risks Associated with Particular Types of Securities	16
ITEM 9	DISCIPLINARY INFORMATION	18
ITEM 10	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	18
A.	Broker-Dealer Registration Status.....	18
B.	Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor Registration Status	18
C.	Material Relationships or Arrangements with Industry Participants.....	18
D.	Material Conflicts of Interest Relating to Other Investment Advisers.....	19
ITEM 11	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING	19
A.	Code of Ethics.....	19
B.	Financial Interest in Recommended or Purchased and Sold Securities	19
C.	Investment in Recommended Securities	20
D.	Trades in the Same Securities at the Same Time as a Client	20
ITEM 12	BROKERAGE PRACTICES.....	20
A.	Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions.....	20
B.	Order Aggregation.....	21
ITEM 13	REVIEW OF ACCOUNTS	21
ITEM 14	CLIENT REFERRALS AND OTHER COMPENSATION	22
A.	Economic Benefits for Providing Services to Clients.....	22
B.	Compensation to Non-Supervised Persons for Client Referrals.....	22

ITEM 15	CUSTODY	22
ITEM 16	INVESTMENT DISCRETION.....	23
ITEM 17	VOTING CLIENT SECURITIES.....	23
ITEM 18	FINANCIAL INFORMATION	23

ITEM 4 ADVISORY BUSINESSES

A. *Description of SCA; Ownership Structure*

Snowden Capital Advisors LLC (“SCA,” “we,” or the “Firm”), a Delaware limited liability company which was formed and began operating in 2011, is an investment adviser registered with the SEC. Such registration does not imply a certain level of skill or training.

This Brochure is offered to potential and existing clients to provide an understanding of the services we provide and our conflicts of interest. The information in this Brochure has not been approved or verified by any governmental or regulatory authority. The advisory services described in this Brochure are not insured or otherwise protected by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board, or any other governmental agency and involve risk, including the possible loss of principal.

SCA is wholly-owned by Snowden Capital Partners LLC (“SCP”), a Delaware limited liability company.

B. *Description of SCA’s Advisory Services*

SCA provides fee-based discretionary and non-discretionary investment advice, consulting, and related wealth advisory services that are targeted primarily at high net worth clients, including family offices, individuals (and their investment vehicles), companies, foundations, governmental agencies, pension plans, and endowments, through experienced investment advisors and pension consultants (“Financial Advisors”). As requested by clients, SCA consultants may also provide financial planning services. Fees charged to clients vary depending upon the services provided by SCA.

Clients may select from a variety of investment management services, including portfolio management (implemented by SCA or an independent, third-party money manager), investment consulting, financial planning, and estate planning. SCA’s Financial Advisors may be specialists in areas such as wealth management, investment consulting, portfolio management, asset allocation, cash management, and/or financial and estate planning. Financial plans are not limited to products or services provided by any particular company; provided that, in general, only products and services that SCA is able to provide will be included in a financial plan.

The terms of the advisory services that SCA provides for each client are set forth in the advisory agreement between SCA and such client (the “Advisory Agreement”). In some cases, a third-party manager or program sponsor may also be a party to the Advisory Agreement. Some platforms and programs may also require an additional advisory agreement with clients in addition to the Advisory Agreement clients sign with SCA. Clients may impose restrictions on investing in certain securities or types of securities unless otherwise stated in the Advisory Agreement or a third-party advisory agreement.

For all accounts, client assets are custodied with Pershing, LLC (“Pershing”), National Financial Services LLC, a subsidiary of FMR, Inc., or another custodian as agreed to by SCA and client (each, as applicable, the “Selected Custodian”). The Selected Custodian(s) also provide execution, clearance, and administrative services for clients. Clients whose assets are custodied with Pershing will enter into either (i) an account agreement with Snowden Account Services LLC (“SAS”), SCA’s affiliated broker-dealer, pursuant to which SAS will act as introducing broker for client’s account and introduce transactions in client’s account to Pershing for execution,

clearance, and custody or (ii) an account agreement with Pershing Advisor Solutions LLC (“PAS” and together with SAS, the “Introducing Brokers” and each an “Introducing Broker”), Pershing’s affiliated introducing broker, pursuant to which PAS will act as introducing broker for client’s account and introduce transactions in client’s account to Pershing for execution, clearance and custody.

Many of SCA’s advisory services are offered as part of a “wrap fee” program, which is an investment program where clients pay SCA or a third-party sponsor an all-inclusive fee that covers investment management fees, trade execution, custodial services, and other administrative fees. SCA maintains a separate wrap fee program brochure on Appendix 1 to Form ADV Part 2A (“Wrap Fee Brochure”) that is provided to clients who open wrap fee accounts.

1. SCA Managed Account Programs

SCA offers a program or programs in which clients grant SCA authority to manage their accounts on a discretionary basis in accordance with the client’s investment objectives, liquidity needs, risk tolerance and investment time horizon, subject to any reasonable restrictions that the client has provided to SCA in writing and that SCA confirms that it is able to implement. In these accounts, a client’s Financial Advisor is responsible for making investment decisions for the account as attorney in fact and discretionary adviser for the client. Each Financial Advisor typically manages his or her clients’ accounts utilizing a model developed by the Financial Advisor or a team of Financial Advisors that has been customized to the client’s individual investment style and strategy in accordance with each client’s description of its investment objectives, liquidity needs, risk tolerance, and investment time horizon. SCA’s managed account programs include the Discretionary Wealth Advisory Account Program (“DWA Program”).

2. Advice on Selecting Third-Party Investment Advisers and Programs

Manager Selection

SCA offers a program or programs in which SCA is engaged to provide advice to clients, on a non-discretionary basis, regarding the selection of third-party investment managers who, if suitable, will manage client accounts on a discretionary basis. These programs allow clients to obtain portfolio management services that typically have higher minimum account sizes off the platform or outside of the program. The third-party investment managers selected under these programs will have discretion to determine the securities they will buy and sell within the account(s), subject to restrictions imposed by the client.

Each third-party investment manager maintains a separate disclosure brochure on Form ADV Part 2A (“Third-Party Brochure”), which will be provided to clients by their Financial Advisor. Clients should carefully review any Third-Party Brochure for important and specific details including, among other things, fees, experience, investment objectives and risk guidelines, and disclosure of the third-party investment manager’s potential conflicts of interest.

Depending upon the platform or program, SCA will:

- Assist clients in the identification of investment needs and objectives.
- Develop an investment policy and/or asset allocation strategy designed to meet the client’s objectives.
- Recommend specific investment styles and asset allocation strategies.
- Evaluate third-party investment managers and investment vehicles meeting style and allocation criteria.

- Negotiate fees to be paid to third-party investment managers.
- Assist in identification of appropriate third-party investment managers and investment vehicles suitable to the client's goals.
- Perform ongoing monitoring and due diligence of individual third-party investment managers' performance and management.
- Review the client's account for adherence to objectives, policy guidelines, and/or asset allocation on a periodic basis.
- Recommend reallocation among third-party investment managers or styles within the program.
- Report to the client regarding the performance of their account.

The nature of the services that will be performed by the third-party manager for each client are set forth in the manager's Third-Party Brochure.

SCA's third-party managed account programs currently include the Independent Manager Portfolio program ("IMP Program") administered by Envestnet Asset Management, Inc. ("Envestnet").

Program Selection

SCA participates in an investment advisory program with Brinker Capital, Inc. ("Brinker"), a registered investment adviser, through which SCA may recommend, on a non-discretionary basis, programs sponsored by Brinker (the "Brinker Programs") to its clients. SCA is responsible for initial and ongoing client contact and acts as a non-discretionary investment adviser in recommending the Brinker Programs. If a client selects one of the Brinker Programs, Brinker will act as a discretionary or non-discretionary investment adviser (depending upon the specific Brinker Program).

With respect to both the IMP Program and the Brinker program, access to certain third-party investment managers, platforms, and programs may be limited to certain types of accounts and may be subject to account minimums, which will vary and may be negotiable depending upon the third-party investment managers, platforms, and programs selected.

3. SCA Non-Discretionary Programs

SCA offers programs in which it provides investment advice to clients on a non-discretionary basis in accordance with the client's investment objectives, liquidity needs, risk tolerance, and investment time horizon, subject to any reasonable restrictions that the client has provided to SCA in writing. In these accounts, the client's Financial Advisor will recommend transactions for the purchase or sale of securities or other investments for the client's account. Under the Personal Wealth Advisory Account Program ("PWA Program"), SCA will then arrange for execution of the purchase or sale of the securities or other investments for the client's account only after the client requests that SCA arrange for a broker-dealer to effect the transaction. Under the Assets Held Away Advisory Program ("AHA Program"), clients are responsible for arranging execution of recommended transactions through their Selected Custodian or another broker-dealer.

4. Financial Planning and Asset Allocation Services

SCA offers general financial planning and asset allocation advice to clients. These services may be offered on a comprehensive or à la carte (limited focus) basis. Financial plans may encompass

all or some of the following areas of financial concern to the client: estate planning goals; retirement planning; education planning; insurance planning; and risk management investments. To prepare a financial plan for a client, SCA will obtain appropriate information from the client through personal interviews or questionnaires (which include questions regarding client's current financial status, future goals, attitude towards risk and other relevant information) and the review of related documents and data supplied by the client. A written financial plan may be prepared and provided. The implementation of financial plan recommendations is entirely at the discretion of the client. Financial plans are not limited in any way to products or services provided by any particular company. However, in general, only products and services that SCA can provide will be included and discussed in the plan prepared by SCA.

5. Consulting Services for ERISA Clients

SCA provides the following services to clients who are subject to the Employee Retirement Income Security Act of 1974 ("ERISA"):

- Limited education and enrollment assistance.
- Draft, review, and refine the Investment Policy Statement ("IPS") until the client (the plan sponsor and/or trustee) believes objectives and risk tolerances have been met.
- Work with the trustees of the plan to determine the appropriate mutual funds and/or securities for plan participant investments to meet the criteria outlined by the plan.
- Advise the trustees, on a non-discretionary basis, regarding the selection, supervision, and retention of external managers based on the plan's investment policy and asset allocation.
- Meet with the trustees of the plan to review the performance of the mutual funds and other securities selected by the trustees. Make recommendations to the trustees, who then have the sole authority to determine the course of action to take on behalf of the plan.
- Provide periodic reports as agreed.

When SCA provides consulting services for ERISA clients, it typically does not have control over plan assets or control over the administration of the plan. The consulting services provided are limited to those assets specifically identified in the Advisory Agreement.

SCA may, on a case-by-case basis, choose to offer discretionary investment advisory services to select ERISA clients.

C. Availability of Customized Services for Individual Clients

Financial Advisors collect financial and additional relevant information from each client to identify the client's investment objectives and financial situation. Financial Advisors provide ongoing investment advisory services to each client based on the services the client selected and the written information provided by each client to SCA regarding the client's financial situation, investment objectives, risk tolerances, and investment experience, as well as other pertinent information. SCA clients may impose restrictions in writing on the management of their accounts. SCA reserves the right not to accept such restrictions or to terminate an account if SCA believes the restrictions imposed are not reasonable or prohibit effective management of the account by SCA. SCA is not obligated to implement any investment selections and will not do so if it believes such investments are inconsistent with a client's risk tolerance or SCA's management style. SCA will notify a client if it elects not to implement an investment selection made by the client.

A client's Financial Advisor uses written information provided by the client to identify an appropriate investment strategy and to comply with any client-imposed investment restrictions. Clients are responsible for updating all written information about their financial situation, risk tolerance and investment goals periodically.

SCA may manage clients' advisory account(s) with discretion. This allows SCA to determine the specific individual securities and other financial instruments to buy, hold, or sell without obtaining clients' prior consent. SCA may also manage advisory accounts without discretion (non-discretionary accounts), meaning clients retain the authority to make investment decisions but SCA provides recommendations. Clients have an unrestricted right to decline to implement any advice issued on a non-discretionary basis. Based on clients' needs, portfolios are designed and managed using a mix of investments, including stocks, bonds, mutual funds (stock funds, bond funds and other asset classes), options, warrants, real estate investment trusts ("REITs"), exchange-traded funds ("ETFs"), alternative investments, and other securities and financial instruments as selected by SCA or third-party investment managers.

For some clients, it may be determined that an investment portfolio consisting primarily or exclusively of mutual funds is most appropriate given the size of the client's portfolio and the client's investment goals and financial situation. Investments in mutual funds by a client will require payment of management fees to each mutual fund adviser in addition to the management fees that the client pays to SCA. In these situations, a portfolio of no-load or load-waived mutual funds will be created by SCA and client assets will be allocated among various mutual funds while taking into consideration the goals and objectives of the client and the appropriate overall management style of the funds.

D. Portfolio Management Services to Wrap Fee Programs

SCA provides portfolio management services to clients under the DWA Program, which is a wrap fee program that SCA sponsors. In general, SCA manages wrap fee accounts in a similar manner to the other accounts that it manages. Under the DWA Program, SCA receives the full amount of the wrap fee charged to the client's account, but a portion of the wrap fee is attributable to the portfolio management services provided by SCA.

E. Assets Under Management

As of December 31, 2018, SCA had \$1,919,765,827 in assets under management, \$1,353,730,996 of which it managed on a discretionary basis and \$566,034,831 of which it managed on a non-discretionary basis.

ITEM 5 FEES AND COMPENSATION

A. Compensation for Advisory Services

SCA typically provides investment advisory services on a fee basis based on a percentage of the client's assets under management, except for financial planning and asset allocation services, which are typically charged on an hourly or fixed fee basis. SCA does not maintain a fee schedule for its programs and negotiates fees on a client-by-client basis, but certain third-party programs in which clients may participate through SCA may maintain fee schedules for certain services or programs. The pricing model for SCA's services may be adjusted based upon client asset size

and the complexity of the Financial Advisor-client relationship. The exact fee charged will be stipulated in the client's Advisory Agreement and all fees are negotiable.

The minimum fee per annum for SCA accounts may be up to \$2,000, in accordance with the investment advisory contract and negotiated in advance with the client. Under limited circumstances, SCA may aggregate the accounts of immediate family members to calculate the amount of assets under management for purposes of determining the applicable fee for the selected service. Each account is then charged a prorated portion of the advisory fee. In addition, in certain circumstances and upon negotiation with the client, SCA may aggregate related accounts for fee calculation purposes and a pro rata portion of the total fee will be charged to each such account or, upon negotiation with the client, may be charged to one or more of the client's accounts. Depending upon the platform selected, there may not be an option for "householding" clients' accounts for fee discounts.

In all cases, clients should carefully review their Advisory Agreement, any Third-Party Brochure maintained by a third-party investment manager that has been selected to manage their assets (if applicable) and the Wrap Fee Brochure for each wrap fee program that they participate in (if applicable) for complete details on the charges and fees clients will incur. Such additional disclosure documents, as applicable, will be provided to clients by their Financial Advisor.

Additional information regarding the compensation and fee arrangements for specific SCA services and programs are provided below.

1. *SCA Managed Accounts*

SCA's managed accounts, including accounts in the DWA Program, are typically offered on a wrap fee basis in which clients are charged an asset-based wrap fee that covers the investment advisory services provided by SCA, execution of transactions through the Selected Custodian on an introduced basis from SCA's affiliate, SAS, custody with the Selected Custodian, and reporting. The wrap fee is negotiated between SCA and its clients and typically ranges from 0.20% to 2.50% of the market value of the assets in the account, subject to negotiation with the client. The wrap fee does not cover certain costs, charges or compensation described in Item 5.C below.

2. *Advice on Selecting Third-Party Investment Advisers and Programs*

Manager Selection

Under the IMP Program offered through Envestnet, in which SCA provides advice to clients on a non-discretionary basis regarding the selection of third-party investment managers, clients pay an asset-based wrap fee to Envestnet that covers the investment advisory services provided by SCA and any third-party managers, execution of transactions through the Selected Custodian, custody with the Selected Custodian, and reporting. The wrap fee that is payable to Envestnet consists of a program fee charged by Envestnet plus the advisory fee charged by SCA. Envestnet's program fee is generally calculated based on a fee schedule that varies depending on the type of portfolio(s) that a client's account is invested in and the amount of assets in the program, but may in certain cases be negotiated. Envestnet's fee schedule is available in Envestnet's Wrap Fee Brochure, which will be provided to clients participating in the IMP Program. The portion of the wrap fee that is attributable to SCA's advisory fee is negotiated between SCA and clients. The wrap fee does not cover certain costs, charges or compensation described in Item 5.C below.

Program Selection

For the program with Brinker in which SCA provides advice to clients on a non-discretionary basis on the selection of Brinker Programs, clients pay an asset-based wrap fee to Brinker that covers the investment advisory services provided by SCA and Brinker, execution of transactions through the Selected Custodian, custody with the Selected Custodian, and reporting. The wrap fee that is payable to Brinker consists of a program fee charged by Brinker plus the advisory fee charged by SCA. Brinker's program fee is generally calculated based on a fee schedule that varies depending on the type of program that a client participates in and the amount of assets in the program, but may in certain cases be negotiated. Brinker's fee schedule is available in Brinker's Wrap Fee Brochure, which will be provided to clients participating in a Brinker Program. The portion of the wrap fee that is attributable to SCA's advisory fee is negotiated between SCA and clients. The wrap fee does not cover certain costs, charges or compensation described in Item 5.C below.

3. SCA Non-Discretionary Programs

Accounts in the PWA Program are typically offered on a wrap fee basis in which clients are charged an asset-based wrap fee that covers the investment advisory services provided by SCA, execution of transactions through the Selected Custodian on an introduced basis from SCA's affiliate, SAS, custody with the Selected Custodian, and reporting. The wrap fee is negotiated between SCA and its clients and typically ranges from 0.20% to 2.50% of the market value of the assets in the account. The wrap fee does not cover certain costs, charges or compensation described in Item 5.C below.

Clients in the AHA Program are charged an asset-based advisory fee that covers the investment advisory services provided by SCA. The advisory fee is negotiated between SCA and its clients and typically ranges from 0.20% to 2.50% of the market value of the assets. The Advisory Fee does not cover certain costs, charges or compensation described in Item 5.C below.

4. Financial Planning and Asset Allocation Services

Fees for financial planning services are negotiated on a case-by-case basis and may be charged on an hourly or fixed fee basis. Once determined, the exact fee arrangement is set forth in the Advisory Agreement. Hourly rates range from \$60 to \$500 per hour based upon the knowledge and experience of the individual providing the work. Fees are billed in 15-minute increments. Fees are typically determined by estimating the number of hours to be spent preparing the plan and then quoting a fixed price. If additional work is requested (that goes beyond the original scope of the project), it may be billed on an hourly basis or a fixed price basis as negotiated. In addition, some or all of the financial planning fees may be included in the investment management fees agreed upon by clients and their Financial Advisor. Financial planning is not always billed separately.

Total costs for financial plans, whether per hour or on a fixed basis, may range from as little as \$500 to as much as \$50,000 or more. There is no "typical" plan, as services are customized to the particular needs of the client; thus, there is a wide range of fees that may be imposed.

5. Consulting Services for ERISA Clients

When SCA provides consulting services for ERISA clients, SCA negotiates an asset-based advisory fee with the client that typically ranges from 0.20% to 2.50% of the market value of the

assets specifically identified in the client's Advisory Agreement. This advisory fee typically only covers SCA's advisory services, and not the cost of custody, the execution of transactions and certain other costs, charges or compensation described in Item 5.C below.

B. Payment of Fees

For clients participating in the DWA Program, PWA Program, AHA Program, IMP Program and any Brinker Program, fees are generally payable quarterly in advance based on the total net fair market value of the assets in client's account as of either the last day of the preceding quarter (for the DWA Program, AHA Program, PWA Program and IMP Program) or the first day of the current quarter (for the Brinker Programs). Fees may be deducted, or directly debited, from client accounts by or at the instruction of SCA, Envestnet, Brinker or the Selected Custodian, as applicable. The fees that clients are charged by SCA and/or a third-party manager or sponsor may be shown on clients' accounts statements as one gross fee or in some cases, may be listed as separate fees. For certain programs, if agreed to by SCA or the applicable third-party sponsor or manager, clients may request that their fees be broken out.

Hourly fees for financial planning and asset allocation services that are billed separately are billed monthly in arrears as the work is provided. Fixed fees for financial planning services that are billed separately are invoiced monthly or quarterly depending upon the negotiated Advisory Agreement with the client and the anticipated delivery of the plan. Other limited planning services are billed monthly.

The billing method for ERISA clients who receive consulting services is determined on a case-by-case basis.

C. Other Fees and Expenses

Client portfolios may be subject to other fees and charges in connection with investments in their account that are in addition to the advisory or wrap fees charged by SCA or third-party managers or sponsors, which are described above.

Clients invested in mutual funds, alternative funds and other pooled investment vehicles ("Funds") will indirectly pay management fees and other expenses of those Funds that are separate and in addition to the advisory or wrap fees paid to SCA or a third-party manager or sponsor. These fees and expenses are described in each Fund's prospectus, private placement memorandum, offering memorandum, or other offering documents. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. Clients should review such additional Fund fees and the fees charged by SCA or any third-party manager or sponsor to understand the total amount of fees paid. Although SCA's Financial Advisors generally recommend and purchase only no-load or load-waived mutual funds for client advisory accounts, some mutual funds may impose an initial or deferred sales charge that is paid by the clients. Clients may also own some of these funds when they transfer their assets to SCA upon opening an account.

For clients participating in wrap fee programs sponsored by SCA or a third party, including accounts in the DWA Program, PWA Program, IMP Program and any Brinker Program, the wrap fee does not cover certain costs, charges or compensation associated with transactions effected in the client's account, including but not limited to, broker-dealer spreads, certain broker-dealer mark-ups or mark-downs on principal transactions; auction fees; fees charged by exchanges on a per transaction basis; debit balances and margin interest; certain odd-lot differentials; transfer

taxes; electronic fund and wire transfer fees; fees in connection with trustee and other services; fees on NASDAQ transactions; certain costs associated with trading in foreign securities; and any other charges mandated by law. In addition, the wrap fee does not cover execution charges (such as commissions, commission equivalents, mark-ups, mark-downs or spreads) on transactions executed by a broker other than SAS or the broker-dealer specified in the advisory agreement documentation for the specific program. Additional information regarding SCA's brokerage practices is provided in Item 12 below.

D. Prepayment of Fees

For clients participating in the DWA Program, PWA Program, AHA Program IMP Program and any Brinker Program, the fees charged by SCA and any third-party manager or sponsor are generally required to be paid in advance, as further described in Item 5.B above.

The client's Advisory Agreement may generally be terminated upon written notification by SCA, the client or the third-party manager or sponsor (if applicable) at any time. Upon termination, the client will receive refunds of any prepaid and unearned advisory or wrap fees. Refunds of asset-based fees are prorated based on the time remaining in the applicable billing period. Refunds of hourly fees are prorated based on the number of hours paid for but not worked. If services have been provided, and are therefore due and payable, clients will receive an invoice for the amount due. Any transactional or custodial charges levied by the Selected Custodian after the termination of SCA's Advisory Agreement will be the client's responsibility and not the responsibility of SCA, and SCA has no obligation to refund such fees to its clients.

E. Additional Compensation and Conflicts of Interest

In connection with the Brinker Programs, SCA or its holding company receives certain payments from Brinker, including payments to cover certain marketing and administrative services that SCA provides in connection with the Brinker Programs. As a result of these payments, SCA may have a financial incentive to recommend or emphasize the Brinker Programs over other programs and services. In order to mitigate this conflict of interest, SCA does not share these payments with its Financial Advisors, who make recommendations about advisory programs to clients.

Certain of the securities and other investments that SCA recommends or selects for client advisory accounts may be available for purchase through an SCA brokerage account or an unaffiliated financial institution. Clients who purchase securities and investments outside of their SCA advisory accounts do not incur the advisory or wrap fees described in this Brochure, and any other fees and expenses may differ from those SCA charges to advisory accounts. In those circumstances, however, such clients do not receive the investment advice and other services that SCA provides to clients with advisory accounts. Certain third-party platforms and programs made available to clients by SCA may also be available through other independent investment advisors, and in certain instances, directly via the third-party administering the platform or program. In addition, clients may be able to access certain third-party investment managers directly. As such, clients may be able to access such third-party investment managers, platforms, and programs at a lower cost through other channels. Further, it may be possible for a client to access third-party investment managers directly or through other platforms or programs for an "unbundled" fee that may be lower than any bundled or wrap fee available through SCA.

Commissions do not provide SCA's primary source of income from advisory accounts.

ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Typically, neither SCA nor any of its officers, directors, employees, or persons providing advice on SCA's behalf and subject to SCA's supervision and control accepts performance-based fees. However, such fees may be agreed on an exception basis with clients who are "qualified clients" as defined in Rule 205-3 of the Investment Advisers Act of 1940, subject to the requirements of such rule.

ITEM 7 TYPES OF CLIENTS

SCA's clients include family offices, individuals (and their investment vehicles), companies and business entities, foundations, charitable organizations, trusts, governmental agencies, pension plans, endowments, and other entities. SCA focuses on providing services to clients who are high net worth individuals.

SCA generally requires clients to deposit a minimum of \$100,000 with the Selected Custodian in order to open an account.

SCA may, in its sole discretion, also serve clients with a lower level of investable assets or initial account sizes.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

A. Methods of Analysis and Investment Strategies

Various analysis methods may be utilized by SCA Financial Advisors in vetting potential investments for clients, including, but not limited to, conducting operational due diligence on third-party investment managers and unaffiliated pooled investment vehicles.

Investment strategies may be chosen by a client in consultation with the Financial Advisor or third-party investment manager based on the Financial Advisor's assessment of a client's particular financial needs, risk profile, and overall investment strategy. Cash management and some treasury services may also be offered.

Clients should understand that all investment strategies and the investments made when implementing those investment strategies involve the risk of losing some or all of their investment and should be prepared to bear the risk of such potential losses. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments fluctuates due to market conditions and other factors. Past performance of a client's advisory account is not indicative of future performance.

B. Material, Significant, or Unusual Risks Relating to Investment Strategies

While we have not attempted to describe every potential risk associated with the investment strategies and advisory services that SCA provides, client should understand that all of the services involve risks. We have summarized below some of the most material risks that may

apply to strategies managed by SCA, its Financial Advisors and the third-party managers selected by clients to manage client assets under SCA's advisory programs. From a general perspective, the advisory services provided by SCA raise the following risks:

- *Market/Volatility Risk* –The risk that the value of the assets in the client's account advised by SCA may decrease in value due to the operating results or prospects of individual companies, particular industry sectors or governments, changes in interest rates and national and international political and economic events due to increasingly interconnected global economies and financial markets.
- *Liquidity Risk* – The risk that a client may not be able to monetize investments for the client's discretionary or non-discretionary account and may have to hold investments to maturity or, if the assets are liquidated, the client obtains a lower price for investments due to illiquidity, market developments, adverse investor perceptions or otherwise. Less liquid instruments are more difficult to value, which makes it more difficult for a client to evaluate its net worth.
- *Concentration Risk* – The increased risk of loss associated with having assets concentrated in a particular industry, geographic region, sector or issuer.
- *Operational Risk* – The risk of loss arising from shortcomings or failures in internal processes or systems of the custodian or administrator assisting in servicing the client's account.
- *Legal, Tax and Regulatory Risk.* Regulatory changes may adversely affect investments made in advisory portfolios. For example, the regulatory environment for alternative investment funds is evolving and changes in the regulations will affect investors.
- *Global Economic Conditions.* The risk that investment performance will be materially adversely affected by conditions in the global financial markets and economic conditions generally. Many parts of the global markets have experienced volatility, lack of liquidity, general uncertainty about economic activity levels, and an overall reduction of investor and consumer confidence over the past several years. There can be no assurance that conditions will improve. The stability and sustainability of growth in global economies, which is an important factor in many types of portfolio in driving profits, may be adversely impacted by extrinsic factors such as risks inherent in different countries' financial systems, economic intervention by governments, terrorism and acts of war.

In addition, advisory services and the investment strategies offered through SCA's advisory services may, depending upon which services are selected by the client, present the following risks:

- *Valuation.* SCA ordinarily relies on valuations provided by publicly-available sources to value instruments. Certain securities may not have a readily ascertainable market price and, thus, will be valued based on SCA's fair valuation process. In this regard, SCA may face a conflict of interest in valuing the securities, as their value will affect SCA's compensation.
- *Third-Party Manager Risk.* Clients may invest through third-party managers in respect to several of the products offered through SCA. These managers may not manage the

operations prudently, may fail to follow the stated investment strategies or may engage in other misconduct.

- **Credit/Default Risk.** Clients face a risk of loss due to insolvency of a counterparty or the default by an issuer of debt or other securities purchased for or by the client.
- **Margin.** Financial Advisors may recommend that advisory clients engage in margin transactions or, if managing a portfolio, may use leverage in their investing. This may be the case, for example, when a Financial Advisor recommends use of covered call options to generate yield or uses margin borrowing to enhance returns. Purchasing securities on margin and selling options amplify both potential returns and actual losses. As such, purchasing securities on margin and entering into other types of leverage transactions may increase the magnitude of losses experienced in a portfolio and may result in losses greater than a client's original principal.

C. Risks Associated with Particular Types of Securities

In addition to the risks applicable to all strategies, clients must consider and evaluate the specific risks presented by each investment strategy offered through SCA, including those relating to strategies managed by third-party managers. The following is a high-level summary of risks associated with particular types of instruments used in the different strategies.

- **Fixed Income.** SCA as well as third-party managers operating under the advisory programs offered by SCA provide investment strategies dedicated to or strategies that invest in fixed income instruments. These may include taxable fixed income bonds and municipal bonds. Taxable fixed income portfolios are composed of individual treasury, agency, sovereign/supranational and/or corporate securities. The primary objectives of the taxable fixed income and municipal bond strategies are seeking relative value, capital preservation and current income. Municipal bond strategies are customized portfolios of high credit quality municipal bonds with varying maturities, usually issued by an issuer in the client's state of residence for clients that reside in states with high income taxes. However, SCA and third-party managers operating through SCA's platform may invest for clients in or recommend to clients for investment out-of-state bonds as well.

Fixed income investments may also include non-U.S. dollar denominated instruments. Some of the material risks associated with fixed income strategies investing in non-US dollar denominated bonds may include:

- **Currency Risk** – The risk of loss due to changes in currency exchange rates and exchange control regulations.
- **Counterparty Risk** – The risk of loss associated with a counterparty's inability to fulfill its contractual obligations.

SCA and third-party managers may invest in high-yield debt and distressed debt. High-yield bonds, which are often referred to as "junk bonds", as well as distressed debt will typically be junior to the obligations of senior creditors, trade creditors and employees in a bankruptcy of the issuer. The lower rating of high-yield debt reflects a greater possibility that adverse changes in the financial condition of the issuer or in general economic, financial, competitive, regulatory, or other conditions may impair the ability of the issuer to

make payments of principal and/or interest. High-yield debt and distressed securities have historically experienced greater default rates than investment grade securities.

All fixed income securities are subject to risk that interest rates may change and, thus, the value of the instrument will change. Fixed income instruments may also not be traded in minimum denominations and increments that allow for ready investment by smaller investors or may be significantly less liquid when traded in odd-lots. Thus, advisory accounts investing in fixed income securities accounts may have difficulty rebalancing the portfolio or liquidating fixed income instruments quickly.

- *Equities.* SCA and third-party managers offered through SCA's program may invest in publicly-traded equity securities. The value of the stocks and other securities may decline over short or extended periods. Certain types of equities present particular risks as follows:

Small capitalization companies and recently organized companies have typically more volatile and less liquid than those of larger, more highly capitalized, established companies and, therefore, pose great investment risks. Small capitalization companies often are highly leveraged. There may also be less publicly available information available concerning these issuers, which will make the securities more difficult to value.

SCA and certain third-party managers invest in "growth" stocks. Securities of growth companies are often more volatile since the companies usually reinvest a high portion of their earnings in their businesses. In addition, these issuers typically do not pay dividends and, thus, there is no cushion for investors against a fall in stock price.

SCA and third-party managers invest in "value" stocks. Value investing runs the risk that some holdings will not provide capital growth anticipated for a stock that is judged to be undervalued. Because the prices of value-oriented securities tend to correlate more closely with economic cycles than growth-oriented securities, they generally are more sensitive to changing economic conditions, such as changes in interest rates, corporate earnings and industrial production.

- *Emerging Market Securities.* SCA and third-party managers may invest in both equity and fixed income instruments of corporate or sovereign issuers from emerging countries. These investments entail certain risks and special considerations not associated with investing in the U.S. and other developed markets. Some emerging countries have laws and regulations that currently preclude direct foreign investment in the securities of their companies. To gain exposure to such markets, SCA may recommend that clients invest in or, if acting with discretion, may invest client assets in investment funds rather than in the foreign securities themselves. In addition, SCA may invest client assets in investment funds that invest in securities that SCA can purchase directly. In these cases, clients will pay both the fees associated with the underlying funds and those of SCA.
- *ETFs.* SCA and third-party managers utilize ETFs to a significant degree in both discretionary and non-discretionary products. Although ETFs are listed, many ETFs lack liquidity that may cause the shares to trade at a premium or discount to its net asset value. In addition, an ETF may suspend new share issuances, which is likely to result in a difference between the ETF's publicly available share price and the value of its holdings. Although most ETFs, like mutual funds, are registered investment companies regulated

under the Investment Company Act of 1940, some ETFs, such as those investing in physical commodities or futures, may not be. Thus, these ETFs will not be subject to prohibitions on trading with affiliates, may not have an independent board of trustees and are not subject to requirements regarding diversification on the prohibition on the suspension of redemptions.

ITEM 9 DISCIPLINARY INFORMATION

In the past ten years, neither SCA nor any of its management persons have been involved in any reportable legal or disciplinary events. For the purpose of this item, a “management person” includes anyone with the power to exercise, directly or indirectly, a controlling influence over SCA’s management or policies, or to determine the general investment advice given to its clients. Generally, management persons include (i) a firm’s principal executive officers, such as its chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; its directors, general partners, or trustees; and other individuals with similar status or performing similar functions and (ii) members of its investment committee or group that determines general investment advice to be given to clients.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

A. *Broker-Dealer Registration Status.*

Certain of SCA’s Financial Advisors and management personnel are also registered representatives of SAS, SCA’s affiliated broker-dealer. SCA and SAS are both wholly-owned by SCP and are, therefore, under common control.

B. *Futures Commission Merchant, Commodity Pool Operator or Commodity Trading Advisor Registration Status*

Neither SCA, nor its employees, are registered or have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

C. *Material Relationships or Arrangements with Industry Participants*

Estancia Capital Partners, L.P., a private equity fund, indirectly owns a majority interest in SCA through its majority ownership interest in SCA’s parent, SCP. SCA does not recommend or purchase for client accounts interests in any securities or other investments owned by Estancia Capital Partners, L.P.

Brinker, which is a registered investment adviser, holds a convertible note investment in SCA’s holding company, SCP. This investment provides Brinker with a financial interest in SCP and, indirectly, in SCA. In addition, a representative of Brinker sits on the governing board of SCP. Due to these affiliations, SCA may have a financial incentive to recommend the Brinker Programs over other programs and services.

D. Material Conflicts of Interest Relating to Other Investment Advisers

SCA does not receive referral fees, revenue sharing payments or other similar forms of compensation in connection with investment advisers that SCA or its Financial Advisors recommend to clients. In connection with the Brinker Programs, SCA receives certain payments from Brinker, including payments to cover certain marketing and administrative services that SCA provides in connection with the Brinker Programs. Because of these payments, SCA may have a financial incentive to recommend or emphasize the Brinker Programs over other programs and services. To mitigate this conflict of interest, SCA does not share these payments with its Financial Advisors, who make recommendations about advisory programs to clients.

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

A. Code of Ethics

SCA has adopted a Code of Ethics (the “Code”) that sets forth the standards of conduct expected of SCA personnel. All personnel are required annually to acknowledge in writing that they have received and will comply with the Code. The Code requires all personnel to comply with federal securities laws and to report all violations of the Code to SCA’s Chief Compliance Officer (“CCO”). The Code states that SCA’s personnel owe a fiduciary duty to SCA’s clients requiring them to act in the best interests of SCA’s clients. SCA personnel must avoid conflicts of interest with clients and actions or activities that allow (or appear to allow) them or their family members to profit or benefit from their relationships with SCA at the expense of clients. The Code contains policies specific to the safeguarding of non-public personal information of clients and the avoidance of conflicts of interest. The Code also prohibits manipulative trading practices and insider trading. In addition, the Code restricts personnel from giving or receiving gifts whose value exceeds \$100 to or from persons that do business with or on behalf of SCA.

The Code also contains provisions specific to certain personnel called “Access Persons.” These provisions are intended to guard against front-running, insider trading, and other trading improprieties by Access Persons. SCA defines Access Persons to include the following personnel: any officer or employee who directly or indirectly (i) has access to nonpublic information regarding clients’ purchases or sales of securities prior to, or within 48 hours after, the completion of such purchases or sales, or (ii) has access to nonpublic securities recommendations, whether discretionary or non-discretionary, prior to, or within 48 hours after, the making of such recommendations. Access Persons are required to provide SCA’s CCO with annual personal securities holdings reports and quarterly securities transaction reports (or brokerage statements in lieu of such reports). In addition, Access Person investments in initial public offerings and private placements must be pre-approved by SCA’s CCO. SCA’s CCO is required to report issues that arise under the Code to senior management at least annually. SCA will provide a copy of its Code of Ethics to any client upon request.

B. Financial Interest in Recommended or Purchased and Sold Securities

Neither SCA nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which SCA or the related person has a material financial interest.

C. *Investment in Recommended Securities*

SCA and its related persons may buy or sell securities that are also recommended to clients. This gives rise to a potential conflict of interest in that SCA representatives may benefit from the purchase or sale of those securities. SCA maintains policies and procedures to prohibit and detect “front-running”, i.e., trading ahead of client orders, and other potentially abusive practices.

D. *Trades in the Same Securities at the Same Time as a Client*

SCA representatives may buy or sell securities at or around the same time as those securities are sold to clients. This creates a potential conflict of interest and, per C. above, SCA maintains policies and procedures designed to prohibit and detect potentially abusive trading practices.

ITEM 12 BROKERAGE PRACTICES

A. *Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions*

For wrap fee accounts managed by SCA under the DWA Program and PWA Program, SCA routes brokerage transactions for clients’ accounts through an Introducing Broker, as agent, and authorizes Introducing Broker to execute such trades as agent or execute trades through the Selected Custodian or other third-party brokers in a manner that complies with applicable law. SCA generally directs execution of transactions through an Introducing Broker and the Selected Custodian, consistent with SCA’s obligation to seek to obtain best execution of Client’s transactions. SCA’s decision to direct execution of transactions through Introducing Broker and the Selected Custodian is based on SCA’s assessment of the overall quality of the execution capabilities of Introducing Broker and the Selected Custodian, considering that commissions charged by Introducing Broker and the Selected Custodian are included in the wrap fee paid by clients. SCA may also, in certain circumstances, route trades for execution through a third-party broker in accordance with its obligation to seek to obtain best execution. Clients may be charged a separate commission, spread, mark-up or mark-down for transactions that SCA or Introducing Broker routes to a third-party broker for execution that will be payable by the client in addition to the wrap fee. Clients should be aware that not all investment advisers require arrangements in which transactions are executed by a single broker.

For programs in which clients’ accounts are managed by a third-party manager, including the IMP Program and the Brinker Programs, the third-party manager is responsible for selecting the broker-dealers that will execute clients’ transactions. Information regarding the brokerage practices of such third-party managers is available in the applicable Third-Party Brochure, which will be provided to clients. SCA does not select or recommend broker-dealers for clients who are enrolled in the AHA Program. Clients in the AHA Program are responsible for arranging execution of recommended transactions through their Selected Custodian or another broker-dealer.

SCA has no soft-dollar or research arrangements or agreement to receive client referrals with any other broker-dealer.

B. Order Aggregation

SCA or Introducing Broker may aggregate client transactions for client accounts that are enrolled in wrap fee programs in accordance with the trading practices described below. The aggregation or blocking of client transactions allows SCA or Introducing Broker to route or execute transactions in a more timely, equitable and efficient manner.

Under the DWA Program, client accounts are generally linked to a model or models and, thus, trades are generally executed across all clients in a similar model, accounting for client restrictions and other distinctions among accounts. Exceptions to this aggregating practice occur when new accounts are funded or additional assets are added or subtracted from current clients, giving rise to individual account trading. Clients are grouped together and traded to the model for rebalances and changes in the model. Aggregated trades are executed through the Selected Custodian's block trading tool.

SCA's PWA Program is a non-discretionary program in which clients maintain discretion over the accounts. Thus, SCA and its Financial Advisors do not have ultimate discretion over timing of trades and generally do not have the ability to aggregate trades for PWA Program clients to the same extent as for clients in discretionary, model-based programs. Trades for PWA Program clients are generally executed on a non-aggregated basis, but may be aggregated when timing of re-allocations allows and when reasonably determined to be beneficial to clients by SCA. When aggregated, trades are executed through the Selected Custodian's block trading tool and completed simultaneously.

For programs in which clients' accounts are managed by a third-party manager, including the IMP Program and the Brinker Programs, the third-party manager is responsible for the execution of transactions and the decision of whether to aggregate orders. Information regarding the order aggregation practices of such third-party managers is available in the applicable Third-Party Brochure, which will be provided to clients in such programs. Clients in the AHA Program are responsible for arranging execution of recommended transactions through their Selected Custodian or another broker-dealer, who are responsible for the decision of whether to aggregate orders.

ITEM 13 REVIEW OF ACCOUNTS

Investment performance and investment objectives and guidelines are reviewed by SCA Financial Advisors on at least an annual basis with the client. Clients are encouraged to consult with their Financial Advisors periodically to discuss their portfolios and account information and to report promptly any changes to their investment objectives, restrictions and guidelines.

Each client also receives written detailed quarterly reports from SCA. An account must be open for a complete calendar quarter in order for a performance report to cover that quarter, and the advisory fees will not be reduced if performance reporting is not provided with respect to the account that was not open during such complete calendar quarter.

Within the Brinker Programs, Brinker prepares and provides quarterly reports on performance to clients. These reports include information with respect to the client's securities holdings as well as a report on the performance of the clients account as compared to various industry indices. These reports are sent directly to clients on a quarterly basis. SCA typically uses these reports

to review manager and account performance with the client. In addition, the client receives monthly statements and trade confirmations from the custodian.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

A. *Economic Benefits for Providing Services to Clients*

In connection with the Brinker Programs, SCA receives certain payments from Brinker, including payments to cover certain marketing and administrative services that SCA provides in connection with the Brinker Programs. Because of these payments, SCA may have a financial incentive to recommend or emphasize the Brinker Programs over other programs and services. To mitigate this conflict of interest, SCA does not share these payments with its Financial Advisors, who make recommendations about advisory programs to clients.

B. *Compensation to Non-Supervised Persons for Client Referrals*

SCA may directly or indirectly compensate third parties for client referrals. Such referrals are compensated in accordance with applicable cash solicitation rules contained in Rule 206(4)-3 of the Investment Advisers Act of 1940. The compensation generally consists of a cash payment computed as a percentage of SCA's advisory fee, but other computation methods may be used as well. The costs of any such referral fees are paid entirely by SCA and, therefore, do not result in any additional charges to the client.

ITEM 15 CUSTODY

Client assets are held by the Selected Custodian, who will provide client with transaction confirmations and account statements with respect to securities transactions conducted for client's account. Clients who receive account statements from SCA as well as from the Selected Custodian are urged to compare the account statements received from the Selected Custodian with those received from SCA.

SCA may be deemed to have limited custody due to Standing Letters of Authorizations ("SLOAs") that give SCA the authority to transfer funds to a third-party as directed by the client in the SLOA and signed by the client.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as well as clarified that an adviser who has the power to disburse Advisory Client funds to a third party under a standing letter of instruction ("SLOA") is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with the Selected Custodian:

- The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.

- The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client's qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

ITEM 16 INVESTMENT DISCRETION

Clients may determine to engage SCA to provide investment advisory services on a discretionary basis. Before SCA assumes discretionary authority over a client's account, the client shall be required to execute an Advisory Agreement naming SCA as the client's attorney and agent in fact, granting SCA full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account. Clients who engage SCA on a discretionary basis may, at any time, impose restrictions, in writing, on SCA's discretionary authority (e.g., limit the type or amounts of particular securities purchased for their account, limit or proscribe SCA's use of margin, etc.).

ITEM 17 VOTING CLIENT SECURITIES

SCA, as a matter of policy and practice, does not accept authority to vote proxies on behalf of clients. Clients may elect to delegate proxy voting authority to the third-party investment managers that the client engages to provide investment advisory services to such client if the client has elected to engage a third-party manager. Otherwise, clients will be solely responsible on their own for voting proxies (and handling bankruptcy claims, class action joinders and other corporate actions) with respect to the securities owned by them on an advisory basis when SCA acts as an investment adviser. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent rather than from SCA.

ITEM 18 FINANCIAL INFORMATION

SCA is not required to include a balance sheet for our most recent fiscal year end because we do not require or solicit more than \$1,200 in fees per client, six months or more in advance. In this Item, we are required to disclose that SCA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients. Additionally, SCA has not been the subject of a bankruptcy petition during the past ten years.