



PRIVATE INVESTMENT OFFICE

## **DISCLOSURE BROCHURE**

MARCH 29, 2019

Seven Post Investment Office LP  
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Seven Post Investment Office LP is a  
Registered Investment Adviser

This brochure provides information about the qualifications and business practices of Seven Post Investment Office LP (hereinafter "Seven Post"). If you have any questions about the contents of this brochure, please contact our Chief Compliance Officer at (415) 341-9300. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority. Additional information about Seven Post Investment Office LP is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Seven Post Investment Office LP is an SEC registered investment adviser. Registration does not imply any level of skill or training.

**ITEM 2. MATERIAL CHANGES**

There are no material changes to note since Seven Post's last annual amendment on March 29, 2018. We encourage you to read this Disclosure Brochure carefully in its entirety as we have made certain non-material revisions for additional clarity.

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#### **ITEM 4. ADVISORY BUSINESS**

Seven Post (“we”, “us”, “our”, the “Firm”) is a private investment office for clients with significant assets. Seven Post primarily serves its clients as their outsourced investment office in an objective, fiduciary capacity. We advise upon and manage broadly diversified, global, multi-asset class portfolios. Our services are further enhanced through our focus on customized financial and asset allocation analysis, overall portfolio risk management, capital markets expertise, coordinated tax-planning, family office services, consolidated investment reporting and third-party institutional custody of client assets. Client portfolios are typically implemented as core investments complemented by select, client-specific ancillary strategies. Seven Post or clients may engage third-party managers (Sub-Advisors) to work with Seven Post in the management of client portfolios. Prior to engaging Seven Post to provide investment advisory services, clients enter into one or more written agreements with us setting forth the terms and conditions under which we render our services (the “Client Agreement”).

Seven Post was founded in 2011 and is a privately-owned Delaware Limited Partnership, whose managing general partner is BlackOak GP LLC. Seven Post is entirely owned by its Managing Directors and Principals. Individuals with greater than 25% ownership shares (either directly or through related estate planning vehicles) include Ali Bastani, Bruce Bligh and Eldridge Gray. Please refer to Form ADV Part 1, Schedule A for details. We believe that a private, independent investment firm, aligned with client interests, is the optimal business model for comprehensive investment management. Co-investment is a core philosophical tenet of the Firm. To the extent additional capacity in limited client investment opportunities is available, Seven Post’s senior professionals seek to co-invest in such investment opportunities.

As of December 31, 2018, Seven Post manages \$4,515,808,000 of assets, with \$4,282,981,000 of assets under management managed on a discretionary basis, and \$232,827,000 of assets under management managed or advised upon on a non-discretionary basis.

Our primary client relationships currently represent approximately 40 institutions and family groups.

#### **Investment Management Services**

Seven Post mandates typically encompass a client’s entire investment and financial portfolio. In order to provide comprehensive analyses, our customized mandates can also include analyses of concentrated public or private business interests and analyses of actual or contingent liabilities. These concentrated, illiquid assets and/or liabilities are usually not directly managed by Seven Post, but they are considered in the overall investment strategy and planning.

At the outset of every engagement, and on an on-going basis, we encourage an active dialogue to gain an understanding of the client’s goals, objectives, and constraints. This dialogue typically leads to a detailed study of objectives, assets, liabilities, cash flow requirements, liquidity, risk tolerance, estate/trust structures and tax-status. Seven Post works with the client and their advisors to develop appropriate risk and return objectives, determine an appropriate investment objective, investment time horizon, distribution requirements, philanthropic and/or wealth transfer objectives and other factors that may impact the portfolio. Seven Post customizes its advisory services to the specific investment and management needs of each client. Seven Post generally assumes responsibility for day-to-day management of the client’s portfolio of investments. Clients are advised to promptly notify Seven Post if there are changes in their financial situation or investment objectives. Clients may impose reasonable restrictions on the management of their portfolio (e.g., require that a portion of their assets be invested in socially responsible companies) if, in the Firm’s sole discretion, the restrictions do not prove overly burdensome to our management efforts. While Seven Post investment management services are the core of its activities; we also provide financial planning services such as coordination with the client’s estate and trust advisors, insurance services, philanthropy services and bill paying.

### **Specialized Advisory Services**

As part of its integrated services, Seven Post can be engaged to provide specialized financial analysis for specific projects or assets. These analytics are highly-customized and may involve a broad array of issues. Prior engagements have included asset/liability studies and custom analysis of private businesses and properties. These services generally include a separate fee arrangement.

### **Capital Markets Advisory**

Seven Post also provides capital markets advisory services where we seek to provide clients with an unbiased assessment of the services of global financial institutions. Based upon the experience and expertise of our senior professionals, Seven Post can create an analytical and competitive framework for reviewing these services and transactions. Prior assignments have included structural review of hedging and financing transactions and engagement of commercial and investment banking firms. Seven Post's advice is further enhanced by a wide variety of sources for market analysis, investment research and macro-economic reports.

### **Use of Unaffiliated Sub-Advisors and Other Third Parties**

Seven Post has an independent investment model whereby a portion of client assets will likely be managed by and/or among certain unaffiliated Sub-Advisors and investment managers.

The terms and conditions under which Seven Post engages the Sub-Advisors on behalf of the client are set forth in a separate written agreement between Seven Post and the designated Sub-Advisor(s). Subject to third-party custodial agreements, Seven Post-managed assets may be invested in separate accounts and/or with third-party Sub-Advisors. In certain circumstances, clients may engage Sub-Advisor(s) directly.

When selecting a Sub-Advisor for a client, Seven Post reviews information about the Sub-Advisor such as its disclosure brochure and/or material supplied by the Sub-Advisor and independent third parties for a description of the Sub-Advisor's investment strategies, firm history, background, past performance and risk results to the extent available. Factors that Seven Post considers in selecting a Sub-Advisor can vary, but usually include the strategy's stated investment objectives, alignment of interests, management style, performance, reputation, financial strength, reporting, pricing, research, and robustness of operational, and compliance programs.

Where consistent with the client's investment objectives, Seven Post may recommend that clients who are "accredited investors" as defined under Rule 501 of the Securities Act of 1933, as amended, invest in private placement securities, which may include debt, equity, and/or pooled investment vehicles.

In addition to Seven Post's written disclosure brochure, the client also annually receives the written disclosure brochure of the designated, respective Sub-Advisors. Certain Sub-Advisors impose more restrictive account requirements and varying billing practices than Seven Post.

Seven Post aims to increase customization, tax-optimization and cost efficiency by also engaging third-party Model Portfolio Provider(s) to provide security and portfolio recommendations. Seven Post has full discretion as to whether the Model Portfolio Provider's recommendations are incorporated into client portfolios and implemented for its clients. In certain accounts, Seven Post currently utilizes index-replication, customized index-replication or other separate account strategies which follow reference index portfolios. Certain clients for whom these portfolio strategies are utilized generally pay additional fees to unaffiliated third parties.

Additionally, Seven Post can implement customized versions of the above portfolios to incorporate specialized client objectives, where appropriate. Examples may include socially responsible investment criteria or other client-driven portfolio management requirements to enhance risk management or meet other customized client objectives.

## ITEM 5. FEES AND COMPENSATION

Fees for Seven Post's services will vary based upon the client's investment objectives, the extent of services required, the types of assets to be managed and other factors. Fees and the fee methodology are described further below and explained in detail to each client in their Client Agreement.

### Investment Advisory and Management Fees

Seven Post's investment management fee structure seeks to align with clients' long-term objectives. As outlined in the Client Agreement, Seven Post provides investment advisory and management services for an annual fee, which currently ranges up to 1.32% of assets under management and advisement. Clients with significant assets typically pay substantially lower overall fees. Additionally, under certain circumstances, Seven Post has agreed to alternative investment management fee arrangements, such as a flat fee structure.

Client investment strategies typically include allocations to one or more established investment strategies or sub-strategies with the goal of providing enhanced portfolio customization, efficient implementation of strategic and tactical investment views, risk management and tax-efficiency (where applicable). Such established investment strategies or sub-strategies often include the use of Sub-Advisors, Model Portfolio Providers and other strategies to enhance portfolio management.

Client advisory and investment management fees are either paid on a bundled fee or an unbundled fee basis. The components of fees generally include an advisory fee, an investment management fee, a Sub-Advisor fee and/or a Model Portfolio Provider fee. Certain clients have negotiated different terms, including both fee structure and payment methods, from the typical arrangements described above.

In the event a client requests work outside of our core investment management services; additional fees may apply. Any such additional fees would be agreed upon in advance of providing such services. Clients may also incur unaffiliated third-party fees or expenses based on requests deemed by us to be extraordinary (such as special reporting requirements, third-party legal review, and special custody arrangements). Under such circumstances, we will notify our clients in advance prior to incurring and seeking reimbursement from clients of such fees.

The fees stated above are the only sources of revenue for Seven Post.

### Fee Calculation Methodology and Other Details

Seven Post's annual fee is prorated and charged quarterly, in arrears. Fees are generally based on the size and type of assets in a client's account. If an agreement between the Firm and a client is terminated, Seven Post will pro-rate the fees accordingly. For consistency and accuracy, Seven Post uses software designed specifically for the calculation of fees. Sample calculations are also performed upon request.

The fees described above may be either (i) directly debited from clients' accounts by Seven Post (ii) directly debited from clients' accounts by the third party involved, or (iii) directly debited from clients' accounts by Seven Post and remitted to the third parties. In limited circumstances, clients may be invoiced for their fees.

### Fees Charged by Financial Institutions

Seven Post does not provide brokerage or custody services. Our fees are exclusive of brokerage commissions and other fees charged by custodians, trustees, and other entities. As stated above, certain Sub-Advisory relationships will incur an additional fee, which is paid by the client. Please refer to Item 12 of this brochure for additional information regarding brokerage practices.

Seven Post only implements its investment management recommendations after the client has arranged for and furnished us with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include any financial institution recommended by Seven Post, or a client-directed broker-dealer, trust company or custodian (collectively referred to herein as the "Financial Institutions").



In light of the scale of Seven Post's aggregate relationships, Seven-Post-recommended Financial Institutions often may provide a more favorable cost structure to clients than clients could achieve on their own for similar services.

Clients may incur certain charges imposed by the Financial Institutions and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to Seven Post's fee. To the extent Seven Post's clients elect to invest in private funds, such funds will have additional fees and expenses paid by the client. These private fund fees generally include both asset-based fees and performance fees, to the extent applicable. Seven Post does not receive any portion of these private fund fees.

The Client Agreement and the separate agreement with any Financial Institutions typically authorize Seven Post or Sub-Advisors to debit the client's account for the amount of our fee and to directly remit that management fee to Seven Post and/or the Sub-Advisors. Financial Institutions recommended by Seven Post agree to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Seven Post.

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

Seven Post does not currently charge performance-based fees. However, upon client request, Seven Post may provide investment advisory and management services on a performance fee basis. Performance-based fees are typically based on a share of client portfolio total returns or capital appreciation of client assets. The details of such an arrangement would be specifically outlined in the Client Agreement.

#### **ITEM 7. TYPES OF CLIENTS**

Seven Post provides its services to clients with substantial assets, including individuals, families, endowments, foundations and other institutions.

##### **Account Minimums and Sub-Advisor Minimums**

Seven Post generally seeks to advise clients with investable assets exceeding \$100 million and has established a minimum portfolio value threshold of \$50 million. However, under certain circumstances, this minimum asset level may be waived. Certain Sub-Advisors impose more restrictive account requirements and varying billing practices than Seven Post. In such instances, Seven Post has altered its corresponding account requirements and/or billing practices to accommodate those of the Sub-Advisors.

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

##### **Methods of Analysis**

Seven Post's investment process is aligned with its investment philosophy: the establishment and timely, tactical rebalancing of a sound asset allocation is a critical determinant of investment returns and risks. Seven Post provides investment advisory services that are customized to the client's investment objectives, time horizon and risk tolerances. Consequently, client mandates generally include the following key elements:

##### **Dialogue / Establishing Investment Objectives**

At the outset of every engagement, and on an ongoing basis, Seven Post engages in an active dialogue to gain an understanding of the client's goals, objectives and constraints. This dialogue may include the comparison of different portfolio alternatives, with relevant return and risk metrics (e.g., drawdown, volatility of returns). Seven Post collaborates with the client to establish or update the client's investment objectives. In certain instances, these objectives have been formalized as investment policy guidelines with specific asset class ranges and risk parameters (e.g., estimated liquidity). Investment objectives typically represent a long-term strategy for the

portfolio(s). Seven Post is generally authorized to manage client portfolios within the parameters of the client's investment objectives.

#### **Portfolio Design and Asset Allocation**

Seven Post has developed an analytical framework for identifying potential investment risks and opportunities across various global investment classes. Seven Post's analysis is based on fundamental factors, quantitative research into economic conditions and asset class valuation. Further, Seven Post reviews short-term behavioral indicators that may create investable opportunities during periods of market volatility. Seven Post receives input from a wide variety of third-party research sources to dynamically manage allocations. Seven Post also incorporates various sector risk factors to assess overall portfolio structure, positioning, diversification and risk levels. The risks inherent in an allocation approach to investing may include a) fundamental analysis that leads to the investment in an asset or strategy, while market conditions nonetheless negatively impact the value of the asset or strategy, and b) quantitative or technical analysis that identifies trends in economies or sectors when the identified trend does not persist or reoccur. There is no guarantee that Seven Post will be able to accurately predict a trend in the future or to acquire investments at discounts to their estimated intrinsic value.

#### **Portfolio Construction and Implementation**

Seven Post actively implements, monitors, and rebalances the assets comprising the investment program. Based upon the client's investment objectives, the investment program may include both passive indices via exchange traded funds ("ETFs") and active strategies. For example, Seven Post's proprietary modeling of market conditions may determine tactical allocations among various global asset classes. Portfolio implementation and rebalancing are managed across several key variables, which may include: valuation, asset class, geography, market capitalization, style, sector, and liquidity. In an effort to better manage risks, costs, and taxes (where applicable), Seven Post may allocate to proprietary strategies, in core fixed income, global equities, and liquid alternatives. These core strategies typically incorporate benchmark exposure with tactical positioning in a separate account structure. Seven Post has engaged Sub-Advisors to assist in the implementation of its strategies.

#### **Manager Selection and Due Diligence**

Based upon the client's investment objectives, Seven Post's allocation of certain client assets to active investment managers and/or Sub-Advisors may involve additional risk. Sub-Advisors are selected and monitored based upon their expected ability to prudently select and monitor securities, efficiently implement and rebalance portfolios, add diversified sources of return, and reduce risk and/or exploit market inefficiencies within their mandate. Seven Post believes that in certain key investment disciplines, skilled and flexible managers may be able to create attractive risk-adjusted, net-of-cost returns. Seven Post, on behalf of its clients, prefers managers who are co-invested in their strategies, particularly in private assets and private real estate. Seven Post utilizes both third-party and proprietary databases to track managers. Seven Post selects Sub-Advisors that it expects to meet these objectives. We rely on the expertise of third parties, as well as the ability of our diligence procedures to select and monitor appropriate Sub-Advisors and investment managers. We will continue to do ongoing due diligence of such managers, but such recommendations rely on the Sub-Advisors' ability to successfully implement their investment strategy. Seven Post does not have day-to-day supervisory or management responsibilities for Sub-Advisors.

In certain instances, individuals affiliated with a fund in which Seven Post clients have invested, have established an investment advisory relationship with Seven Post. Seven Post relies on its independent due diligence to inform its manager selection process. We do not base investment decisions upon the existence of an advisory relationship.

#### **Portfolio Monitoring, Risk Analysis and Management**

We believe that Seven Post's senior professionals have developed and practice strong portfolio risk management procedures in multi-asset class global portfolios. Investment industry convention defines risk as the standard deviation of returns or volatility. For long-term investors, Seven Post prefers to define risk as the permanent impairment of capital rather than price volatility. Consequently, we believe that intermediate and long-term risk is best mitigated by a sound asset allocation. A successful long-term investment program is tactically adroit but has a

long-term outlook to be able to differentiate between a temporary correction and a permanent shift in fundamentals. Seven Post advocates diversification among global asset classes, within the client's established objectives. Seven Post's internal risk systems are oriented toward this philosophy. Subject to data availability, these risk systems incorporate fundamental valuation analysis, asset class diversification, and transparent, consolidated analysis of underlying assets. Seven Post's proprietary risk systems seek to assess and evaluate risks in client portfolios in addition to providing quantitative risk metrics. Seven Post periodically stress tests portfolio positioning against a variety of macro-economic and market scenarios in order to analyze potential portfolio risks.

The Firm has a formal Investment Committee that is responsible for strategic and tactical asset allocations, investment research, review of asset class valuations, long-range capital asset class return and volatility assumptions, portfolio strategy and management, third-party manager selection and review and approval of private asset and private real estate investments. Investment Committee approval is required for any material changes to asset allocations, investments, or manager additions or terminations approved for utilization in discretionary client portfolios. Seven Post reviews all client portfolio allocations on a periodic basis to ensure conformity with the client objectives (or policy guidelines).

#### **Investment Economic Research**

Seven Post has developed several proprietary risk, allocation and valuation systems to provide a guidepost for its Investment Committee and clients. Further, as an independent advisor, Seven Post utilizes a wide variety of sources for economic, financial market and asset allocation research, including economic research organizations, various global investment banks, investment partners, and other sources. The investment views of the Firm are researched, analyzed, developed and implemented by its Investment Committee and applied in a customized manner consistent with client objectives and/or policy guidelines.

#### **Risks of Loss**

Investing in securities involves the risk of loss. There is no guarantee that any investment strategy will meet its objectives. Depending on the investment, clients may face the following risks:

##### **Market Risks**

Client investments may be affected by general economic and market conditions, such as interest rates, availability of credit, commodity prices, and economic conditions, changes in law, trade barriers, currency controls, and political events. These factors may affect securities prices and liquidity. Such price volatility or illiquidity could result in losses. The profitability of a significant portion of Seven Post's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that we will be able to predict those price movements accurately.

##### **Equity Risks**

Investments in equity securities involve significant risks. Prices of specific equity securities may fall irrespective of the movement of the overall securities market.

##### **Fixed Income Risks**

Investment in fixed income securities involves certain risks including credit, interest rates, reinvestment, prepayment and duration risks, all of which may impact the price of the fixed income security. Market yields on longer maturity securities are more sensitive to price changes. High yield fixed income securities have significantly higher risks than investment grade fixed income securities. In the event of default, a fixed income investment may suffer a loss.

##### **Liquidity**

Securities actively traded on exchanges may be subject to periods of illiquidity. Market disruptions may result in rapid price changes and could result in loss.



### **Concentration**

Concentrated positions in single issuers or industries increase the risk of loss on investment.

### **International Investments**

Securities of issuers domiciled outside of the United States may have additional risks such as trade tariffs, currency controls, exchange rate fluctuations, withholding taxes, nationalization, political uncertainty and instability.

### **Short Sales, Leverage and Derivatives**

The utilization of short sales, leverage, and derivatives within a portfolio may increase the risk of loss.

### **Use of Private Collective Investment Vehicles**

If appropriate for certain clients, Seven Post may recommend investment in direct or indirect private collective investment vehicles. These collective investment vehicles may include private real estate, private equity, hedge funds, joint ventures and/or other private investments. The managers of these collective investment vehicles will have broad discretion in selecting and managing the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. The collective investment vehicle may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the collective investment vehicle. In addition, collective investment vehicles are not registered as investment companies, and therefore are less regulated. There are numerous other risks in investing in these collective investment vehicles including the lack of liquidity. Clients can refer to the offering documents of such collective investment vehicles for further descriptions of additional risks.

### **Mutual Funds, Exchange Traded Funds (“ETFs”), and Commingled Investment Vehicles**

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

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

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for index-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### **Force Majeure**

Acts of God, cyber-attacks, terrorist activity, armed conflict, large scale infrastructure failure, and other extenuating circumstances may negatively impact asset prices both directly and indirectly, by affecting country economic stability, underlying companies, exchange or trading operations and other investment operations, among others.

**General Risk of Loss**

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

**Item 9. Disciplinary Information**

Seven Post does not have any required disclosures of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

**ITEM 10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Seven Post does not have any required disclosures relating to any relationships or arrangements with certain related persons that are material to its advisory business or to its clients. Seven Post only provides investment advisory and management services; it does not receive any remuneration from Financial Institutions, Sub-Advisors or other third-party vendors hired on behalf of clients.

**ITEM 11. CODE OF ETHICS**

Seven Post maintains a fiduciary duty to its clients. All investment activities of Seven Post and persons associated with Seven Post ("Associated Persons") are subject to this fiduciary duty of care.

Seven Post has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by Seven Post or any of its Associated Persons. The Code of Ethics also requires that certain of Seven Post's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Seven Post Associated Persons are permitted to buy or sell securities that they also recommend to clients as long as such trading is consistent with Seven Post's policies and procedures. None of Seven Post's Associated Persons has a material financial interest in the securities recommended, bought, or sold to clients. In addition, assets of certain Associated Persons are also managed by Seven Post in the same strategies as client assets, with the assistance of the same Sub-Advisors.

Access Persons may effect transactions for themselves at the same time as Seven Post transactions in client accounts, as part of a "batched" trade, in accordance with Seven Post's policies and procedures. In order to address any potential conflicts of interest between Access Person trades and client trades, Seven Post prohibits Access Persons from trading in certain securities, requires Access Persons to obtain pre-clearance prior to engaging in certain personal trades, and reviews the personal trading of Access Persons for any potential issues.

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

**ITEM 12. BROKERAGE PRACTICES**

Seven Post does not provide brokerage or clearing services. As discussed above in Item 5, we generally recommend qualified third-party broker-dealers for our clients. Factors which Seven Post considers in recommending a broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Broker-dealers enable us to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by a particular broker-dealer may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Seven Post's clients comply with our duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same

transaction where we determine that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Seven Post seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other Financial Institutions with whom Seven Post and the Financial Institutions have entered into agreements for prime brokerage clearing services. We periodically and systematically review our policies and procedures regarding our recommendation of Financial Institutions in light of our duty to obtain best execution.

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

Transactions for each client generally will be effected independently, unless Seven Post decides to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among our clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among our clients *pro rata* to the purchase and sale orders placed for each client on any given day. To the extent that we aggregate client orders for the purchase or sale of securities, including securities in which our partners, officers, directors, or employees, who provide investment advice ("Supervised Persons") may invest, we do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Seven Post does not receive any additional compensation or remuneration as a result of the aggregation. In the event that we determine that a prorated allocation is not appropriate under the particular circumstances, we will make the allocation based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines that prohibit it from purchasing other securities that are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Seven Post may exclude the account(s) from the allocation; the transactions may be executed on a *pro rata* basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis. This list is not exhaustive and other allocation approaches may be followed to the extent that Seven Post determines such other allocation approach is fair to all clients.

Seven Post has not entered into an agreement with a broker-dealer that obligates us to direct a specific amount of transactions or commissions to such broker-dealer, nor does it have any soft-dollar arrangements with any broker-dealer. Sub-Advisors retained by us to manage client portfolios may have research and brokerage practices that differ from our policies.

**Software, Support, Educational, and Other Benefits Provided by Financial Institutions**

Seven Post has and continues to receive from financial institutions and other third parties, without cost to us, products or services in connection with client securities transactions. Benefits generally include computer software and related systems support, which allow Seven Post to better monitor client accounts maintained at financial institutions, admission to educational or due diligence programs, which allow Seven Post to make more informed decisions on behalf of its clients, and in certain instances, certain administrative banking services, which allow Seven Post to offer clients enhanced ease-of-use and connectivity with custodians. Seven Post may receive software, related support, educational programs and other services without cost because we render investment management services to clients that maintain assets at the financial institutions offering them. Clients may not directly benefit from this software, related systems support, and other services. In fulfilling our duties to our clients, we endeavor at all times to put the interests of our clients first. Seven Post's receipt of economic benefits from a broker-dealer or other third party may create a potential conflict of interest; however, these benefits would not affect our choice of broker-dealer.

**ITEM 13. REVIEW OF ACCOUNTS**

We monitor client portfolios as part of our ongoing risk management process; and we seek to review portfolios with clients on at least an annual basis. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with us and to keep us informed of any changes thereto. Reviews may also be conducted (within reason) when requested by the client. Clients will also receive a written report from us that usually includes updated asset allocation, market value, and investment results on a managed portfolio basis, at least semiannually. Firm Vice Presidents and Associates manage transaction activity within the client accounts, managing liquidity, processing additions to and distributions from client accounts and responding to client requests. We consider transparent and timely reporting an important element of our dialogue with clients. These reports assist the assessment of portfolio allocation, risk management, investment results and changes to future investment/liability plans.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Clients should compare the account statements they receive from their custodian with reports they receive from Seven Post.

Where agreed upon, clients receive copies of account statements and other materials from Seven Post and/or the broker-dealer or custodian in electronic format.

Clients to whom Seven Post provides consulting services will receive reports from us summarizing our analysis and conclusions as requested by the client or otherwise agreed to in writing.

**ITEM 14. CLIENT REFERRALS AND OTHER COMPENSATION**

Seven Post often receives referrals from existing clients and other service providers. To date, we have not remunerated any third-party for such referrals. In the event any referral remuneration was to occur in the future, such remuneration would be made in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Further, Seven Post policy would require disclosure of any such arrangement.



#### **ITEM 15. CUSTODY**

Seven Post does not take physical possession of the assets or securities of any client. Our Client Agreements and/or the separate agreements with any financial institution authorize us through such financial institution to debit the client's account for the amount of our fee and to directly remit that management fee to Seven Post in accordance with applicable custody rules. Seven Post has engaged a third party to conduct custody reviews in accordance with regulatory requirements.

The Financial Institutions recommended by us have agreed to send statements to clients, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to us. In addition, as discussed in Item 13, Seven Post sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to the reports received from us.

#### **ITEM 16. INVESTMENT DISCRETION**

Seven Post may be given the authority to exercise discretion on behalf of clients. We are considered to exercise investment discretion over a client's account if we can effect transactions for the client without first having to seek the client's consent. We are given this authority through a limited power-of-attorney included in the Client Agreement. Clients may request further limitation on this authority (such as certain securities not to be bought or sold). We reserve the right to reject any limitations we deem unreasonable and/or terminate the relationship.

#### **ITEM 17. VOTING CLIENT SECURITIES**

Seven Post votes proxies where a client requests it and the Firm has accepted such responsibility. We will only cast proxy votes in a manner we deem to be consistent with the best interest of our clients. Absent special circumstances, all proxies will be voted consistently with guidelines established and described in our Proxy Voting Policies and Procedures, which may be amended from time-to-time. Clients may contact Seven Post to request information about how we voted proxies for that client's securities or to get a copy of our Proxy Voting Policies and Procedures. A brief summary of our Proxy Voting Policies and Procedures is as follows:

- The Firm's Chief Compliance Officer ("CCO") is responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxy submissions are timely.
- The CCO will generally vote proxies according to Seven Post's then current Proxy Voting Guidelines.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis. Since corporate governance issues are diverse and continually evolving, Seven Post devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Seven Post's vote on a particular solicitation but can revoke Seven Post's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Seven Post maintains with persons having an interest in the outcome of certain votes, we take appropriate steps to ensure that our proxy voting decisions are made in the best interest of our clients and are not the product of such a conflict.

Seven Post generally does not vote proxies for assets managed by Sub-Advisors. In those instances, clients may elect to vote proxies directly, or delegate proxy voting authority to the respective Sub-Advisor.

Seven Post has engaged a third-party vendor to systematically manage security class action and other litigation proceeding recoveries for clients.

#### **ITEM 18. FINANCIAL INFORMATION**

Seven Post has no disclosures relating to its financial condition that would affect its ability to meet contractual commitments to our clients.