

# **Anfield Capital Management, LLC**

4041 MacArthur Boulevard, Suite 155

Newport Beach, CA 92660

Phone & Fax (949) 891-0600

[www.anfieldcapital.com](http://www.anfieldcapital.com)

## **Form ADV, Part 2A Brochure**

December 31, 2021

This brochure provides information about the qualifications and business practices of Anfield Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (949) 891 0600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply that Anfield Capital Management, LLC or any person associated with Anfield Capital Management, LLC has achieved a certain level of skill or training.

Additional information about Anfield Capital Management, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 - MATERIAL CHANGES

December 31, 2021

The purpose of this page is to inform you of material changes since the last annual update to our brochure. If you are receiving this brochure for the first time, this section may not be relevant to you.

We review and update this brochure at least annually to confirm that it remains current. Material changes that have occurred since the December 31, 2020 version of our firm brochure are as follows:

*Anfield Capital Management LLC provides advisement services beyond its regulatory assets under management whereby Anfield provides model portfolios to other investment advisers to utilize with their own clients. Anfield manages these models internally on a continuous and regular basis but is not involved in the actual implementation of the models for such investment advisers and therefore does not count these assets as regulatory assets under management. Anfield will, on a quarterly basis, request that such investment advisers attest to the value of the assets that utilize these models. As of December 31, 2021, Anfield provided "assets under advisement" services to approximately \$525,124,837 in assets.*

Whenever you would like to receive a complete copy of our firm brochure, please contact us by telephone at: (949) 891 0600.

## ITEM 3 - TABLE OF CONTENTS

<b>ITEM 1 - COVER PAGE .....</b>	<b>1</b>
<b>ITEM 2 - MATERIAL CHANGES .....</b>	<b>2</b>
<b>ITEM 3 - TABLE OF CONTENTS.....</b>	<b>3</b>
<b>ITEM 4 - ADVISORY BUSINESS.....</b>	<b>5</b>
<b>Description of Advisory Firm .....</b>	<b>5</b>
<b>Principal Owners .....</b>	<b>5</b>
<b>Advisory Services Offered .....</b>	<b>5</b>
Investment Management .....	5
Adviser to Registered Investment Companies.....	5
Sub-Adviser to Registered Investment Companies .....	6
Consulting Services .....	6
<b>Tailored Services and Client Imposed Restrictions .....</b>	<b>7</b>
Investment Management .....	7
Separate Account Management .....	7
<b>Assets Under Management .....</b>	<b>7</b>
<b>ITEM 5 - FEES AND COMPENSATION .....</b>	<b>8</b>
<b>Investment Advisory Fees .....</b>	<b>8</b>
Investment Management and Separate Account Management .....	8
Consulting Services .....	9
Adviser to Registered Investment Companies.....	9
<b>Other Fees and Expenses.....</b>	<b>9</b>
<b>Termination .....</b>	<b>10</b>
<b>Other Compensation .....</b>	<b>10</b>
<b>ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT .....</b>	<b>10</b>
<b>ITEM 7 - TYPES OF CLIENTS .....</b>	<b>10</b>
<b>ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS .....</b>	<b>11</b>
<b>Methods of Analysis.....</b>	<b>11</b>
<b>Investment Strategies .....</b>	<b>11</b>
Private Placements .....	12
<b>Investing Involves Risk .....</b>	<b>13</b>
<b>Specific Security Risks .....</b>	<b>13</b>
General Risks of Owning Securities.....	13
Mutual Funds (Open-end Investment Company) .....	13
Different Types of Funds.....	14
Exchange-Traded Funds (ETFs) .....	16
Futures .....	17
Options.....	17
Cash and Cash Equivalents.....	18

<b>ITEM 9 - DISCIPLINARY INFORMATION .....</b>	<b>18</b>
<b>ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS .....</b>	<b>18</b>
Related Investment Advisers.....	18
Affiliations .....	18
<b>ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING .....</b>	<b>19</b>
Code of Ethics .....	19
Personal Trading Practices .....	20
Participation or Interest in Client Transactions .....	20
Adviser to Registered Investment Companies .....	22
<b>ITEM 12 - BROKERAGE PRACTICES .....</b>	<b>22</b>
The Custodian and Brokers We Use .....	22
Investment Management .....	22
Separate Account Management .....	22
Directed Brokerage Transactions.....	24
Order Aggregation .....	25
<b>ITEM 13 - REVIEW OF ACCOUNTS .....</b>	<b>25</b>
Managed Account Reviews .....	25
Investment Management and Separate Account Management .....	25
Account Reporting .....	25
Investment Management and Separate Account Management .....	25
<b>ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION.....</b>	<b>26</b>
Schwab Support Products and Services .....	26
Solicitation Compensation .....	26
<b>ITEM 15 - CUSTODY .....</b>	<b>26</b>
<b>ITEM 16 - INVESTMENT DISCRETION.....</b>	<b>27</b>
Discretionary Management .....	27
Non-Discretionary Management .....	27
<b>ITEM 17 - VOTING CLIENT SECURITIES.....</b>	<b>28</b>
Proxy Voting .....	28
Class Actions .....	28
<b>ITEM 18 - FINANCIAL INFORMATION .....</b>	<b>28</b>

## ITEM 4 - ADVISORY BUSINESS

### Description of Advisory Firm

Anfield Capital Management, LLC (“Anfield,” “ACM,” “we,” “our,” or “us”) is a privately owned limited liability company headquartered in Newport Beach, California. Anfield is registered as an investment adviser with the SEC. Anfield offers discretionary investment management services to investment advisers, registered investment companies (mutual funds and ETFs), and in select cases to private and institutional clients. Anfield was originally founded in 2009 and underwent reorganization in 2012.

### Principal Owners

David Young is owner of The David Young and Sandra G. Glain Family Trust, which owns 100% of The Anfield Group, LLC.

The Anfield Group, LLC is a holding company, which owns:

- The controlling interest (92%) in Anfield Capital Management, LLC.
- The controlling interest (100%) in Regents Park Funds, LLC, an SEC Registered investment Adviser providing portfolio management for investment companies.

### Advisory Services Offered

#### Investment Management

Anfield offers discretionary and non-discretionary investment management services to investment advisers/banks/trust companies and their clients, serving as a sub-adviser to the investment adviser or other regulated entity. The fees ACM receives under these arrangements are described below under **Item 5 - Fees and Compensation**.

#### Adviser to Registered Investment Companies

Anfield serves as Adviser to the Anfield Universal Fixed Income Fund (the “Fund”), an open-end mutual fund that is a series of the Two Roads Shared Trust. The Trust is registered under the Investment Company Act of 1940. Anfield is not affiliated with Two Roads Shared Trust.

Pursuant to the discretionary authority granted to us, Anfield may from time to time invest all or part of our clients’ assets in the Fund. The fees we receive for management of the Fund, including the portion of such fees corresponding to the amount of our clients’ assets invested in the Fund, are separate from **and in addition to** the investment management fee paid to us by clients for management of their assets. This presents a conflict of interest, since the fees we receive for managing the Fund create an incentive for us to invest client assets in the Fund. However, we will only invest client assets in the Fund if we believe the investment to be in the client’s best interests, considering the client’s objectives, risk tolerance, limitations and capital available for investment.

### Sub-Adviser to Registered Investment Companies

Anfield will also act as Sub-Adviser to the various ETFs (the “Anfield ETFs”), advised by Regents Park Funds, LLC, that are a series of the Two Roads Shared Trust. The Trust is registered under the Investment Company Act of 1940. Anfield is not affiliated with Two Roads Shared Trust.

Pursuant to the discretionary authority granted to us, Anfield may from time to time invest all or part of our clients’ assets in the Anfield ETFs. The fees we receive for management of the Anfield ETFs, including the portion of such fees corresponding to the amount of our clients’ assets invested in the Anfield ETFs, are separate from **and in addition to** the investment management fee paid to us by clients for management of their assets. This presents a conflict of interest, since the fees we receive for managing the Anfield ETFs create an incentive for us to invest client assets in the Anfield ETFs. However, we will only invest client assets in the Anfield ETFs if we believe the investment to be in the client’s best interests, considering the client’s objectives, risk tolerance, limitations and capital available for investment.

### Separate Account Management

Anfield offers investment management services to select private and institutional clients (also “direct clients”), providing investment policy statement determination, asset allocation, portfolio management, and client reporting. We specialize in understanding the unique goals and requirements of each client that we work with and provide customized investment management advice responsive to their needs.

Investment management is generally provided on a discretionary basis. We also offer investment advisory services to clients on a non-discretionary basis. For these clients, we will contact the client before making recommendations we deem to be appropriate for the client. See also **Item 16 – Investment Discretion** below. We describe fees charged for our services below under **Item 5 - Fees and Compensation**.

### Consulting and Assets Under Advisement Services

Anfield also offers customized consultation regarding economic and market outlook, investment strategy, security selection, and model portfolios. ACM will also participate in speaking engagements and presentations on economics, investment principles, asset allocation, or other related topics as requested by the client.

### Types of Investments

Investment advice may be offered on any investment including, but not limited to, the following securities: exchange-listed securities, securities traded over-the-counter, foreign issues, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, mutual fund shares), United States government securities, options (securities, commodities), futures contracts (tangibles, intangibles), partnership interests (real estate, oil and gas, private equity). However, Anfield may offer advice regarding other types of investments on an ad hoc basis per individual client inquiry or as appropriate in order to address the individualized needs, goals, and objectives of the client. We describe the material

investment risks for many of the securities that we recommend under the heading ***Specific Security Risks*** in ***Item 8*** below.

We discuss our discretionary authority below under ***Item 16 - Investment Discretion***. For more information about the restrictions clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** in this item below.

#### ***Limitation by Plan Sponsor/Employer***

In the event Anfield is managing assets within a retirement plan such as 401(k), 403(b), or other employer plan, ACM is limited to those investment providers and investment options chosen by the plan administrator. Similarly, when we provide services to participants in an employer-sponsored plan, the participant may be limited to investing in securities included in the plan's investment options. Therefore, Anfield can only make recommendations to the client from among the available investment options, and ACM will not recommend or invest the client's account in other securities, even if there may be better options elsewhere.

### **Tailored Services and Client Imposed Restrictions**

#### **Investment Management**

The investment adviser client is responsible for determining each of its client's investment objective, investment strategy, and any restrictions by which Anfield will manage the account on a discretionary basis as a sub-adviser based on the instructions of the investment adviser. Clients may request restrictions on the account, such as when a client needs to keep a minimum level of cash in the account or does not want ACM to buy or sell certain specific securities or security types in the account. Anfield reserves the right to not accept and/or terminate management of a client's account if we feel that the client-imposed restrictions would limit or prevent us from meeting or maintaining the client's investment strategy.

#### **Separate Account Management**

At the inception of each client relationship under the Separate Account Management service, Anfield works with the client to assess the client's financial situation and needs and to create a written investment policy statement ("IPS") for the client to govern the management of their investment assets. Clients may also impose certain restrictions on investing in certain types of securities or investments within the IPS.

### **Assets Under Management**

Anfield manages discretionary accounts on a continuous and regular basis. As of December 31, 2021, we managed approximately \$1,244,739,237 in assets on a discretionary basis. Anfield also provides non-discretionary investment advice for approximately \$235,752,358 in assets. In addition, Anfield manages certain client accounts by providing what we would consider an assets under advisement ("AUA") service level and generally includes assets upon which Anfield provides model portfolios to other investment advisers to utilize with its own clients. Anfield manages these models on a continuous and regular basis but is not involved in the actual implementation of the models for such investment

advisers and therefore does not count these assets as regulatory assets under management. Anfield will, on a quarterly basis, request that such investment advisers attest to the value of the assets that utilize these models. As of December 31, 2021, Anfield provided AUA services to approximately \$525,124,837 in assets.

## ITEM 5 - FEES AND COMPENSATION

### Investment Advisory Fees

#### Investment Management and Separate Account Management

We base our fees on a percentage of assets under management. The typical annual fee for investment management and separate account management services is often payable quarterly in advance as a percentage of assets under management (AUM), based on the following schedule example (fees may be more or less than listed herein based solely upon Anfield's discretion):

Total Yield & Core Fixed Income:	35 bps
Balanced Strategies:	45 bps
Diversified Equity (100% equity):	55 bps
Diversified Liquid Alternatives:	55 bps

For investment management services, the investment adviser that retains Anfield as sub-adviser typically pays us. In this typical case the underlying client pays a fee to the investment adviser and we, as sub-adviser, earn a portion of that fee. The client does not generally pay a fee directly to Anfield. However, on occasion, the investment adviser may instruct Anfield as sub-adviser to bill such sub-advisory fee directly at the client and custodial level, which would be clearly agreed by and disclosed to the underlying sub-advisory client prior to doing so. Either way, clients will receive brokerage statements from the custodian no less frequently than quarterly that will show the deduction of any advisory fees.

For separate account management, with client authorization, Anfield will instruct the custodian to automatically withdraw our advisory fee from the client's account (although Anfield will invoice the client rather than deducting fees if requested). Clients will receive brokerage statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the advisory fee.

Anfield reserves the right to negotiate all fees and terms with clients. Lower fees for comparable services may be available from other sources. Client and client's immediate family accounts may be aggregated for fee breakpoint purposes. At Anfield's discretion, advisory services may be provided without charge to employees and their family members. Investment management fees are based on the market value of assets in the account on the last business day of the previous quarter. At the inception



of the account, the fee will be prorated for the remainder of the current billing period and will be based on the value of the account as of the date when the majority of assets are transferred.

Non-discretionary accounts will be charged a fee as agreed between Anfield and the client. Such fee will generally not exceed those fees charged for discretionary accounts, unless the agreed to service include additional elements.

### Consulting Services

Fees for Anfield's customized consultation regarding economic and market outlook, investment strategy, and security selection are charged depending on the nature of the assignment:

Project consulting with a specific deliverable such as an economic outlook, portfolio strategy or financial plan will be charged a fee as agreed between ACM and the client. Project consulting fees will generally vary over a wide range depending on the scope of the services provided.

Speaking honoraria and travel expenses are negotiated on a case-by-case basis and payable in advance.

### Adviser to Registered Investment Companies

The fees Anfield receives for providing investment management services to the Anfield Universal Fixed Income Fund and the Anfield ETFs are in addition to those fees listed above and are outlined in the written advisory agreement. The fees are disclosed and described in the fund's prospectus.

## **Other Fees and Expenses**

Anfield's fees do not include custodian fees. Clients pay all brokerage commissions, stock transfer fees, margin charges, foreign exchange and settlement fees, and/or other charges incurred in connection with transactions in accounts, from the assets in the account. These charges are in addition to the fees client pays to ACM. See **Item 12 - Brokerage Practices** below for more information on the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

All fees paid to Anfield for investment management services are separate and distinct from the fees and expenses charged by the broker-dealers used for the transactions, and the fees incorporated into the securities themselves, such as mutual funds or ETFs.

In addition, any mutual fund shares held in a client's account might be subject to deferred sales charges, 12b-1 fees, early redemption fees, and other fund-related expenses. The fund's prospectus fully describes the fees and expenses. Mutual funds pay advisory fees to their managers, which are indirectly charged to all holders of the mutual fund shares. Consequently, clients with mutual funds in their portfolios are effectively paying both Anfield and the mutual fund manager for the management of their assets.

## Termination

Accounts may be terminated in accordance with the provisions set forth in the agreement – at any time by written notice. Terminated accounts are credited the pro-rata unearned portion of fees for the quarter of termination only upon request from the client.

Anfield considers project consulting services to be complete, and the agreement terminated upon delivery of the agreed upon project. In the event that either the client or ACM wishes to terminate the project consulting agreement before completion of the service, either party may terminate the agreement at any time by providing written notice to the other party.

Upon notice of termination, we will provide the client with an invoice for services provided through the date of termination. If the client paid fees in advance that were more than the amount due for services, we will refund any unearned fees.

## Other Compensation

Anfield does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. As described in **Item 4** under **Adviser to Registered Investment Companies**, ACM will, however, receive additional advisory fees for managing any mutual fund or ETF in which clients are invested that Anfield advises or sub-advises.

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

Anfield does not charge performance-based fees or other fees based upon a share of capital gains or capital appreciation of client assets to individually managed account clients. Because Anfield manages assets for a mutual fund and ETFs, as well as separate accounts, there may be an incentive to favor one client over another resulting in conflicts of interest. For instance, we may receive fees from certain accounts that are higher than the fee we receive for managing the fund or ETF. In those instances, the portfolio managers may have an incentive to favor the higher fee accounts over the fund or ETF. Anfield has adopted trade allocation and other policies and procedures that the Firm believes are reasonably designed to address these and other conflicts of interest.

## ITEM 7 - TYPES OF CLIENTS

Anfield provides discretionary and non-discretionary investment management services to investment advisers, banks, trust companies, registered investment companies (mutual funds and ETFs), and in select cases to private and institutional clients, including: individuals, high net worth individuals, pension and profit sharing plans, trusts, and estates. We also offer services to charitable organizations, corporations and other business entities. Client relationships vary in scope and length of service.

Generally, ACM requires individually managed account clients to maintain a minimum account size of \$1 million. We may combine family accounts to meet the account size minimum. We aggregate sub-advisory assets by adviser when applying the account size minimum. Anfield may reduce or waive the account minimum requirements at our discretion.

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

### Methods of Analysis

Anfield may employ the following security analysis methods including: fundamental analysis; technical analysis; and cyclical analysis. ACM may use the following sources of information: corporate financial statements, management presentations, specialized research publications, and general news sources.

Other sources of information that we may use include: information from investment managers, financial service companies, database companies, financial journals, government sources, and industry professionals.

### Investment Strategies

Anfield practices two primary investment strategies depending on the needs of the client:

- 1) Strategic asset allocation utilizing a core and satellite approach. This means that we use passively managed index and exchange-traded funds as the core investments, and then add actively managed funds where there are greater opportunities to add value. Portfolios are diversified to control the risk associated with traditional markets.
- 2) Individual security selection using fundamental investment analysis

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. For sub-advisory clients, the adviser, not Anfield as the sub-adviser, will be responsible for selecting the appropriate investment strategy based upon their own consultations with the underlying clients. The client may change these objectives at any time. Generally, each direct client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

#### *Short-Selling*

Anfield may implement short sales for client accounts. A client would realize a profit from a short position if the value of the underlying security sold “short” is lower when the borrowed security is replaced (“covered”) and would realize a loss if the security’s value is higher when covered. The loss from a short sale that is not covered by a similar security could theoretically be unlimited depending on how much the security sold short increases in value. The use of this strategy may increase the recognition (for income tax purposes) of gains and losses and increase other expenses (such as brokerage charges) compared to accounts that do not use these techniques. Clients may specifically request us to limit or avoid the use of short sales within their accounts.

#### *Leverage*

Anfield may use leverage in an effort to increase portfolio returns, typically using call options on common stocks or stock indexes, employing leveraged ETFs, and/or through margin borrowing. The

amount of leverage employed and the precise techniques used are determined based on each client's risk tolerance and overall financial situation, as well as current and anticipated future market conditions. While the use of leverage can increase returns, it can also magnify losses. Clients may specifically request that Anfield limit or avoid the use of some or all types of leverage in their accounts.

The above investment techniques may involve the use of derivative securities, including options and futures, in an effort to increase portfolio return. Securities are considered derivatives when their value is determined by or derived from the performance of an underlying asset or index. A client's account would lose the premium and transaction costs related to the purchase of an unexercised option that expires worthless.

The price movements of derivatives may be more volatile than the price movements of other securities, and therefore may result in more than ordinary investment risk. Many of these investments may not enjoy as much liquidity as other securities, although we seek to invest in liquid derivative contracts to the extent possible and consistent with our investment strategy.

The use of the strategies discussed above may increase the recognition (for income tax purposes) of gains and losses and increase other expenses (such as brokerage charges) compared to accounts that do not use these techniques.

### *Margin*

Some clients of Anfield maintain margin accounts. Accordingly, we may use margin transactions to implement investment advice given to these clients. Clients are responsible for any brokerage or margin charges in addition to advisory fees. Risks of using margin include "margin calls" (also called "fed calls" or "maintenance calls"). Margin calls occur when account values decrease below minimum maintenance margin levels established by the broker-dealer that holds the securities in the client's account, requiring the investor to deposit additional money or securities into their margin account. While the use of margin borrowing can increase returns, it can also magnify losses. Clients may specifically request that we limit or avoid the use of margin transactions in their accounts.

### *Private Placements*

Anfield may recommend limited partnerships and/or private offerings to clients based on factors that include but are not limited to accreditation status, the level of interest clients express during meetings with ACM, and whether the program would offer diversification to the client. We consider these types of investments to carry a higher degree of risk. These securities are only available to accredited investors. Investments in such limited offerings will only occur after conducting additional consultation with the client and after the client has approved of the investment and strategy for his/her portfolio.

In certain circumstances, if deemed appropriate for the client, we may recommend certain private placements or other investments in privately owned businesses to clients. Privately held companies typically sell their securities through private placement offerings. Generally, there is no ready market for private placement purchases and sales. Therefore, private placements are less liquid than market-based securities and considered risky investments. Consequently, investments in private placements are limited to persons who meet certain income and/or net worth requirements. We will recommend such

securities only to clients who meet the necessary income and/or net worth requirements and where we believe the investment is appropriate for the client based on the client's ability to accept the risk. At the time of recommendation, we will disclose to the client any proprietary interest in the company.

## **Investing Involves Risk**

Investing in securities always involves the risk that you will lose money. Before investing in the securities markets, clients should be prepared to bear that risk. Over time, a client's account value will fluctuate. At any time, your assets may be worth more or less than the amount you invested. As with any investment strategy, there is no guarantee that our strategies will be successful. Anfield makes no guarantees or promises that our market analysis will be accurate or the investment strategies we use will be successful.

Anfield exercises our discretionary authority to invest in securities that we believe are appropriate for the client, based on our understanding of the client's risk tolerance and investment objectives as communicated to us by their investment adviser, or by the client, in the case of a direct client relationship. We have generally summarized below what we feel are relevant risks broadly relating to the types of securities we primarily invest in for client accounts; however, securities may be subject to additional risks that are specific to that security or issuer, and we cannot and do not attempt to cover all risks that clients may be exposed to within their portfolios. Clients are strongly encouraged to review the prospectus disclosures and offering documents relating to the securities held in their portfolios if they have any questions, as these documents discuss in more detail the risks relating to the particular product. These documents are provided to the client by the client's custodian/broker. Clients with questions regarding a particular security should contact Anfield or the custodian/broker.

## **Specific Security Risks**

### *General Risks of Owning Securities*

The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities held as underlying assets of mutual funds in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income.

### *Mutual Funds (Open-end Investment Company)*

A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the funds per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads).

The benefits of investing through mutual funds may include:

#### Professionally Managed

Mutual funds are professionally managed by investment advisers who research, select, and monitor the performance of the securities the fund purchases.

#### Diversification

Mutual funds could have the benefit of diversification, which is an investing strategy that generally sums up as “Don’t put all your eggs in one basket.” Spreading investments across a wide range of companies and industry sectors can help lower the risk if a company or sector fails. Some investors find it easier to achieve diversification through ownership of mutual funds rather than through ownership of individual stocks or bonds.

#### Affordability

Some mutual funds accommodate investors who do not have a lot of money to invest by setting relatively low dollar amounts for initial purchases, subsequent monthly purchases, or both.

#### Liquidity

Generally, mutual fund investors can readily redeem their shares at the current NAV, less any fees and charges assessed on redemption. Less frequently, some mutual funds have the option to redeem shares using the underlying stocks in the fund’s portfolio, or may delay redemption for a defined period.

Mutual funds also have features that some investors might view as disadvantages:

#### Costs Despite Negative Returns

Investors must pay sales charges, annual fees, and other expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund went on to perform poorly after purchasing shares.

### *Different Types of Funds*

When it comes to investing in mutual funds, investors have literally thousands of choices. Most mutual funds fall into one of three main categories; money market funds, bond funds (also called “fixed income” funds), and stock funds (also called “equity” funds). Each type has different features and different risks and rewards. Generally, the higher the potential return, the higher the risk of loss.

#### *Money Market Funds*

Money market funds have relatively low risks, compared to other mutual funds (and most other investments). By law, they can invest in only certain high quality, short-term investments issued by the U.S. Government, U.S. and foreign corporations, state and local governments, and bank issued certificates of deposit. Money market funds try to keep their net asset value (NAV), which represents the value of one share in a fund, at a stable \$1.00 per share. However, the NAV may fall below \$1.00 if the fund’s investments perform poorly. Investor losses have been rare, but they are possible. Money market funds pay dividends that generally reflect short-term interest rates, and historically the returns for money market funds have been lower than for either bond or stock funds.

## *Bond Funds*

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields. Unlike money market funds, the SEC's rules do not restrict bond funds to high quality or short-term investments. Because there are many different types of bonds, bond funds can vary dramatically in their risks and rewards.

Some of the risks associated with bond funds include:

### *Credit Risk*

There is a possibility that companies or other issuers may fail to pay their debts (including the debt owed to holders of their bonds). Consequently, this affects mutual funds that hold these bonds. Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury Bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.

### *Interest Rate Risk*

There is a risk that the market value of the bonds will go down when interest rates go up. Because of this, investors can lose money in any bond fund, including those that invest only in insured bonds or U.S. Treasury Bonds. Funds that invest in longer-term bonds tend to have higher interest rate risk.

### *Prepayment Risk*

Issuers may choose to pay off debt earlier than the stated maturity date on a bond. For example, if interest rates fall, a bond issuer may decide to "retire" its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

## *Stock Funds*

A stock fund's value can rise and fall quickly (and dramatically) over the short term but may demonstrate more stability over the long-term. Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services. Not all stock funds are the same. For example:

### *Growth Funds*

Growth funds focus on stocks that generally do not pay a regular dividend but that have the potential for large capital gains. These funds favor companies expected to grow earnings, which could result in stock prices rising faster than the economy, and may be smaller and less seasoned companies. The smaller and less seasoned companies that may be in a growth fund have a greater risk of price volatility. Growth stocks, sometimes-priced on future expectations rather than current results, may decline substantially from unmet expectations general weakened market conditions.

### *Equity Income Funds*

Equity income funds stress current income over growth, and may invest in stocks that pay regular dividends. These funds are subject to dividend payout risk, which is the possibility that a number of the companies in which the fund invests will reduce or eliminate the dividend on the securities held by the fund.

### Small Cap Funds

Funds that invest in stocks of small companies involve additional risks. Smaller companies typically have a higher risk of failure than larger, well-established blue chip companies do. Historically, smaller company stocks have experienced a greater degree of market volatility than the overall market average.

### Mid Cap Funds

Funds that invest in companies with mid-range market capitalizations involve additional risks. The securities of these companies may be more volatile than the securities of larger companies and contain less liquidity in securities markets.

### Index Funds

Index funds aim to achieve the same return as a particular market index, such as the S&P 500 Composite Stock Price Index, by investing in all or a representative sample of the companies included in an index.

### International Funds

International investments are subject to additional risks, including currency fluctuation, political instability, and potential illiquid markets.

### Emerging Market Funds

Funds that invest in foreign securities of smaller, less-developed countries involve special additional risks. These risks include, but are not limited to currency risk, political risk and risk associated with varying accounting standards. Investing in emerging markets may accentuate these risks.

### Sector Funds

Sector funds may specialize in a particular industry segment, such as technology or consumer products stocks. Funds that invest exclusively in one sector or industry involve additional risks. The lack of industry diversification subjects the investor to increased industry-specific risk. For example, products of companies held by technology funds may be subject to severe competition and rapid obsolescence.

### *Tax Consequences of Mutual Funds*

When investors buy and hold an individual stock or bond, the investor must pay income tax each year on the dividends or interest the investor receives. However, the investor will not have to pay any capital gains tax until the investor actually sells and makes a profit. Mutual funds are different. When an investor buys and holds mutual fund shares, the investor will owe income tax on any ordinary dividends in the year the investor receives or reinvests them. Moreover, in addition to owing taxes on any personal capital gains when the investor sells shares, the investor may have to pay taxes each year on the fund's capital gains. That is because the law requires mutual funds to distribute capital gains to shareholders if they sell securities for a profit that cannot be offset by a loss.

### Exchange-Traded Funds (ETFs)

An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) containing a basket of stocks. Typically, the objective of an ETF is to achieve returns similar to a particular market index, including sector indexes. An ETF is similar to an index fund in that it will primarily invest in securities of companies that are included in a selected market. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like



stock mutual funds, the prices of the underlying securities and the overall market may affect ETF prices. Similarly, factors affecting a particular industry segment may affect ETF prices that track that particular sector.

Strategies that invest in ETFs and mutual funds involve risks related to liquidity, volatility and potential unfavorable fluctuations in underlying asset and/or index values. International investments may be subject to economic or political instability, credit risk and exchange rate fluctuations. Further, there is no guarantee that any strategy or model will achieve its investment objective.

### Futures

Because of the low margin deposits normally required in futures trading, a high degree of leverage is typical of a future trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to a client or investor. For example, if at the time of purchase 10% of the price of the futures contract is deposited as initial margin, a 10% decrease in the price of the futures contract would, if the contract is then closed out, result in a total loss of the margin deposit before any deduction for the brokerage commission. Thus, like other leveraged investments, any purchase or sale of a futures contract may result in losses that exceed the amount initially deposited as margin with respect to that contract. In addition, futures interests may be illiquid, which can substantially limit or inhibit trading of the futures contracts.

### Options

Options may involve certain costs and risk such as liquidity, interest rate, market, credit, and the risk that a position could not be closed when most favorable. “Naked” options can cause the investor to lose more than the amount invested. If Anfield invests in naked options, we typically hold cash or another low risk security as collateral backing the trade. Anfield may sell “covered” options in an effort to produce income for the client’s account. Selling covered call options may place a limit on upside gains, while selling put options may result in the purchase of a security at a price higher than the current market price.

#### Covered Call

Anfield manages accounts using this investment strategy in an attempt to hedge risk and increase return by the sale of covered calls against the positions in the account. An investor should consider that the risk level in these accounts is somewhat reduced by the sale of the calls, but the upside potential of the account is also limited by the sale of the call.

#### Uncovered Calls

If the price of the underlying security were to rise, risk increases significantly for the seller (writer) of an uncovered call since he or she would have to purchase the called security at market prices only to immediately sell it to the person exercising the call at a much lower value as established in the option’s contract.

### Cash and Cash Equivalents

The account may hold cash or invest in cash equivalents. Cash and cash equivalents are the most liquid of investments. Cash and cash equivalents are considered very low-risk investments meaning, there is little risk of losing the principal investment. Typically, low risk also means low return and the interest an investor can earn on this type of investment is low relative to other types of investing vehicles.

## **ITEM 9 - DISCIPLINARY INFORMATION**

Anfield and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our business or the integrity of our management. We do not have any required disclosures to this Item.

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

### **Related Investment Advisers**

Anfield is a related person of Regents Park Funds, LLC ("Regents Park"), a privately owned limited liability company headquartered in Newport Beach, California. Anfield and Regents Park are affiliates in that they are both owned and controlled by Anfield Group, LLC. Anfield and Regents Park share the same principal place of business and are under joint ownership and control.

### **Affiliations**

Anfield has also entered into a number of other sub-advisory relationships wherein Anfield will act in various capacities – from non-discretionary advisement services all the way up to outsourced chief investment officer services with trading authority – for other investment advisers. Anfield realizes that possible conflicts of interest can arise from such arrangements, not the least of which is that Anfield typically manages these sub-advisory relationships through the use of various investment models maintained by Anfield which may contain mutual funds and ETFs within such models managed and sub-advised by Anfield and affiliated entities. Due to the fees earned by Anfield through these underlying funds, Anfield has an incentive to steer sub-advised assets towards such models. However, Anfield will only invest sub-advised assets into the affiliated funds if Anfield believes such investments to be in the clients' best interest, considering investment objectives, risk tolerance, limitations and capital available for investment. Anfield also discloses such conflicts to all sub-advisory relationships, and requires the investment advisers to provide all clients with Anfield's Form ADV Part 2A. In addition, to help mitigate this conflict even for those clients where Anfield serves as outsourced chief investment officer and trading team, the underlying investment adviser retains the rights to terminate the sub-advisory relationship with Anfield at any time.

### **Trade Allocations**

Accounts for which Anfield acts as a sub-adviser are also governed by the principle of fair allocation of investment opportunities, the substance of which is documented herein – and should be read to be consistent with and in addition to those other policies related to investment opportunity

allocations. This policy applies to all accounts sub-advised by Anfield. Trades will be allocated on a basis believed to be fair and equitable; no account will receive preferential treatment over any other. The CEO, or a designee, will take steps to ensure that no participating account will be systematically disadvantaged by the aggregation, placement, or allocation of trades. Transactions are allocated promptly, on the trade date. In order to ensure fairness in the allocation of investment opportunities among accounts Anfield sub-advises, Anfield will allocate investment opportunities with consideration to the prime determinants of market exposure, cash availability and sector exposure, client investment guidelines, and with regard to the suitability of such investments for each account. In determining the suitability of each investment opportunity for a sub-advised account, consideration will be given to a number of factors, the most important being the account's investment objectives and strategies, existing portfolio composition and cash levels. Where an investment opportunity is suitable for two or more accounts, the CEO, or a Designee, will allocate such investment opportunity equitably in order to ensure that all accounts have equal access to similar quality and quantity of investment opportunities. Factors to consider are:

- 1) Investment instruments will not necessarily be allocated pro rata, given that the account's investment objectives and guidelines, cash levels and portfolio composition may be different.
- 2) In accounts having similar investment objectives, guidelines and portfolio composition and where investments are not allocated pro rata, the accounts will be managed over time with a goal of achieving "performance parity."
- 3) Given different inception dates and historical cash flows, each account may hold the same position with a different cost base, or hold different positions.
- 4) The tax and regulatory considerations for each account.

The foregoing list of factors is not intended to be exclusive and there may be other instances in which Anfield may allocate orders to an account in a way that is equitable even if not done pro-rata.

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

### **Code of Ethics**

Anfield believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. Anfield's personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics (the Code). The Code sets forth the standards of business conduct the firm expects from each Supervised Person. It requires Supervised Persons to report and Anfield to monitor certain business activity or conduct to avoid potential conflicts of interest. The Code requires compliance with fiduciary duties, applicable securities laws, confidentiality, and placing clients' interests first. A current copy of the Code will be provided to clients and prospective clients upon request.

### Personal Trading Practices

Anfield and our personnel may purchase or sell securities for themselves that we also recommend to clients. This includes related securities (e.g., warrants, options, or futures). This presents a potential conflict of interest as we may have an incentive to favor our personal trades over client transactions or use the information about the transactions we intend to make for clients to our personal benefit. Our personnel seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients. Our personnel are required to report certain personal securities transactions to the firm, which are regularly monitored. The Chief Compliance Office, or designee, of Anfield reviews all employee trades each quarter.

Our policies to address these conflicts include the following:

1. In every case, Anfield and our personnel will place the interests of clients ahead of the interests of Anfield and our personnel.
2. We prohibit trading in a manner that takes personal advantage of price movements caused by client transactions.
3. Conflicts of interest may arise when Anfield's personnel become aware of limited offerings or IPOs, including private placements or offerings of interests in limited partnerships or any thinly traded securities, whether public or private. Given the inherent potential for conflict, limited offerings and IPOs demand extreme care. Anfield's personnel are required to obtain pre-approval from the Chief Compliance Officer before trading in these types of securities.
4. We require our personnel to report personal securities transactions on a quarterly basis.
5. We prohibit trading on insider information, and have adopted and implemented written policies on insider trading.

### **Participation or Interest in Client Transactions**

Anfield may aggregate trades in like securities among client accounts as well as with accounts of ACM and its personnel, as described in the policies below. Aggregation presents a potential conflict of interest as we may have an incentive to allocate more favorable executions to our own accounts or the accounts of our personnel.

Our policies to address this conflict are as follows:

1. Anfield will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients and is consistent with the terms of Anfield's investment advisory agreement with each client for which trades are being aggregated;
2. No advisory client, including those clients in which Anfield or persons associated with the Firm have a direct or indirect beneficial interest, will be favored over any other client; each client that

participates in an aggregated order will participate at the average share price for all ACM's transactions in a given security on a given business day (per custodian utilized);

3. Anfield will prepare, before entering an aggregated order, a written statement (the "Allocation Statement") specifying the participating client accounts and how we intend to allocate the order among the various accounts;
4. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated pro-rata based on the Allocation Statement;
5. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reasons for different allocation is explained in writing and is approved by the CCO no later than one hour after the opening of the markets on the trading day following the day the order was executed;
6. If an aggregated order is partially filled and allocated on a basis different from that specified in the Allocation Statement, no account that is benefited by such different allocation may effect any purchase or sale, for a reasonable period following the execution of the aggregated order, that would result in it receiving or selling more shares than the amount of shares it would have received or sold had the aggregated order been completely filled;
7. Anfield's books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account;
8. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement;
9. Anfield will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
10. Individual investment advice and treatment will be accorded to each advisory client's account.

#### Conflicts – Promissory Notes, Warrants and Bridge Loans

To raise capital, Anfield periodically issued promissory notes, some of which have subsequently been rolled over into additional note terms, and warrants through private offerings, starting in December 2013. The firm also periodically obtained short-term bridge loans from clients for business operations. The firm's noteholders, warrant investors, and bridge loan creditors are referred to collectively as "lending clients."

Some of the lending clients were friends and associates of Anfield's CEO. Lending investment opportunities were not offered to all the firm's clients, and were allocated among the lending clients

based on a variety of factors, including without limitation: (i) an investor's ability to efficiently arrange for participating in an investment in the firm on a timely basis; and (ii) an investor's investment and risk profile. Because Anfield has lending clients and non-lending clients, there are potential conflicts of interest. Among other things, the firm may have an incentive to favor lending clients over other clients with respect to investment opportunities.

As a registered investment adviser, Anfield has a fiduciary duty to every client of the firm. The firm places the interests of our clients first in every situation. As part of our fiduciary duty, we acknowledge our responsibility to provide full and fair disclosure of all relevant facts and any potential conflicts of interest. We also seek to reduce/mitigate conflicts of interest to the extent practicable. Consequently, Anfield has policies and procedures designed to adhere to our fiduciary duty and reduce/mitigate the potential to favor lending clients over other clients, including policies related to investment opportunity and trade allocation procedures.

### Adviser to Registered Investment Companies

As described in **Item 4** under **Adviser to Registered Investment Companies**, Anfield acts as investment adviser to a mutual fund and sub-advises related ETFs. Our discretionary authority allows us to determine what percentage of client assets to invest in the fund and ETFs. We may invest up to 100% of a client's account in the fund and/or ETFs, depending on the size of the account. Anfield receives fees for managing the mutual fund and ETFs as well as fees for investment advisory services provided to clients, which gives us an incentive to invest advisory clients in that mutual fund and ETFs so that we receive dual fees. Because the fees we get from managing the fund and ETFs reduce the fund NAV, advisory clients as shareholders are indirectly paying us two management fees. We recognize this conflict of interest, and address it in the following ways in accordance with our fiduciary duty to clients:

1. We disclose in this brochure that we receive fees from the advisory client and from the fund and ETFs .
2. By signing our advisory agreement giving us discretionary management of the account, clients are giving us authority to invest their assets in our related fund and ETFs. Clients may revoke this consent at any time.

## **ITEM 12 - BROKERAGE PRACTICES**

### **The Custodian and Brokers We Use**

#### Investment Management

As sub-advisor to investment advisers, the retaining adviser makes the selection of both the custodian and broker. Anfield will place trades with the broker selected by the retaining adviser. (See also **Directed Brokerage Transactions** below).

#### Separate Account Management

Clients must hold assets in an account at a "qualified custodian," generally a broker-dealer or bank. Unless otherwise directed, Anfield primarily recommends Charles Schwab & Co., Inc. ("Schwab"), a

registered broker-dealer, member SIPC as the qualified custodian to individually managed account clients. Upon client inquiry, we may also recommend other brokerage or custodial services. Anfield is independently owned and operated, and has no affiliation with any broker-dealers.

#### How We Select Brokers/Custodians

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

1. Their ability to serve institutional advisors
2. Availability of a dedicated service team and that team's responsiveness and level of service
3. Availability of a dedicated trading desk
4. Access to daily downloads into our portfolio management software
5. Trading costs
6. Prime brokerage services offered
7. Selection of mutual funds offered
8. Accuracy and timeliness of the broker/dealers reports
9. Number of branches and availability to clients
10. Quality of customer service
11. Brand identity, reputation, and integrity
12. Research resources
13. Availability of other products and services that benefit us, as discussed below (see ***Products and Services Available to Us From Schwab***)

#### Products and Services Available to Us from Schwab

We may recommend that clients establish accounts with Schwab to maintain custody of clients' assets and to effect trades for their accounts. Schwab provides us with access to their institutional trading and custody services, which are typically not available to retail investors. Schwab's services include brokerage custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Anfield's clients who choose to have their assets held at Schwab will not be charged separately for custody but are compensated by account holders through commissions or other transaction-related fees or securities trades that are executed.

Schwab makes available to us other products and services that may benefit Anfield but may not directly benefit our clients' accounts. These types of services will help us in managing and administering client accounts. These include software and other technology that provide access to client account data (i.e. trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of our fees from clients' accounts; and assist with back-office functions, record keeping, and client reporting. Many of these services may be used to service all or a substantial number of our accounts. We place trades for our clients' accounts subject to our duty to seek best execution. We may use broker-dealers other than Schwab to execute trades for client accounts maintained at Schwab, but this practice may result in additional costs to clients because Schwab may assess additional fees for executing trades at another broker-dealer.

Therefore, we are more likely to place trades through the broker-dealer where clients have decided to custody their assets rather than other broker-dealers. Schwab's execution quality may be different from other broker-dealers.

Schwab may also provide other benefits such as educational events, conferences on practice management, regulatory compliance, information technology, and business success. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to Anfield.

None of the benefits received from Schwab are contingent upon Anfield committing any specific amount of business to Schwab in connection with client securities transactions.

As part of our fiduciary duties to clients, ACM endeavors at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by ACM or its personnel in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of Schwab for custody and brokerage services.

#### Client Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services. However, Schwab receives compensation by charging commissions or other fees on trades that they execute or that settle into clients' Schwab accounts. We do not receive any part of these separate charges.

In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a client's Schwab account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see ***How We Select Brokers/Custodians***).

#### Directed Brokerage Transactions

Anfield is prepared to work with any broker-dealer that the client chooses. The above disclosure outlines the broker and custodian that ACM recommends. In circumstances where we have been directed to execute all or a portion of client transactions through a specific broker (aka "directed brokerage"), the client should understand that: (1) Anfield will not negotiate specific brokerage commission rates with the broker on client's behalf, or seek better execution services or prices from other broker-dealers and, as a result, the client may pay higher commissions and/or receive less favorable net prices on transactions for their account than might otherwise be the case, and (2) transactions for that account generally will be effected independently unless ACM decides to purchase or sell the same security for several clients at approximately the same time (block trade), in which case we may include such client's transaction with that of other clients for execution by the same broker.



However, if transactions are not able to be traded as a block trade, we may have to enter the transactions for the client's account after orders for other clients, with the result that market movements may work against the client, and (3) conflicts may arise between the client's interest in receiving best execution with respect to transactions effected for the account and Anfield's interest in receiving future client referrals from the broker.

Therefore, prior to directing us to use a specific broker-dealer, a client should consider whether, under that restriction, execution, clearance and settlement capabilities, commission expenses and whatever amount is allocated to custodian fees, if applicable, would be comparable to those otherwise obtainable. Clients should understand that they might not obtain commissions rates as low as they might otherwise obtain if we had discretion to select other broker-dealers. A client must provide all directed brokerage arrangements to Anfield in writing. A client must also notify ACM in writing if the client decides to terminate the directed brokerage arrangement.

## **Order Aggregation**

Transactions for each client generally will be effected independently, unless we determine that it is in the interest of other clients to purchase or sell the same securities at approximately the same time. We may (but are not obligated to) aggregate or batch the orders to obtain best execution or to allocate the price and other transaction costs more equitably among participating clients. Aggregated client orders will be handled and allocated in the same manner as described in ***Item 11- Code of Ethics, Participation or Interest in Client Transactions and Personal Trading*** above.

## **ITEM 13 - REVIEW OF ACCOUNTS**

### **Managed Account Reviews**

#### **Investment Management and Separate Account Management**

Anfield monitors and reviews the holdings of individually managed accounts at least monthly for consistency with investment objectives, the adviser's market views, performance and risk factors. We conduct ad-hoc reviews when market factors warrant, and for direct clients, when their individual circumstances warrant. Other conditions that may trigger a review, include but are not limited to, changes in market, political or economic conditions, new investment information, and, in the case of direct clients, changes in a client's own situation. Members of the firm's Investment Committee conduct reviews, and may include others in the review as the firm's number of accounts grows. Account reviewers consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Anfield also monitors and reviews all models recommended to sub-advisory clients on at least a monthly basis.

### **Account Reporting**

#### **Investment Management and Separate Account Management**

Anfield provides regular written reports that often include:

- Monthly “flash reports” with brief market commentary and performance update are available.
- Quarterly comprehensive report covering market environment, key economic developments, strategy portfolio holdings, strategy performance, attribution, outlook and investment strategy.
- Quarterly in-person reviews with the portfolio manager are available.

### Separate Account Management

In addition, each direct client receives a quarterly performance and holdings report from Anfield and a written statement from the custodian that includes an accounting of all holdings and transactions in the account for the reporting period.

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

### **Schwab Support Products and Services**

We receive an economic benefit from Schwab in the form of the support products and services they make available to us and other independent investment advisers whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see **Item 12 – Brokerage Practices**). We do not base particular investment advice, such as buying particular securities for our clients, on the availability of Schwab’s products and services to us.

### **Solicitation Compensation**

Anfield has compensation arrangements in which employees of the firm may receive a percentage of the advisory fees paid by new clients referred to ACM. In addition, we have also entered into compensation arrangements with other individuals and firms not directly affiliated with Anfield to receive similar advisory fees paid by new clients referred to the firm. If an unaffiliated solicitor introduces a client to us, we will pay that solicitor a referral fee in accordance with corresponding state and federal securities law requirements. If an unaffiliated solicitor introduces a client to Anfield, that solicitor will disclose the nature of the solicitor relationship with Anfield at the time of the solicitation. In addition, the solicitor will provide each prospective client with a copy of this brochure that discusses possible conflicts of interest, and clearly and prominently disclose to the client the terms and conditions of the arrangement between Anfield and the solicitor, including the compensation the solicitor will receive from ACM. Any affiliated solicitor of ACM will disclose the nature of the relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of this brochure. Anfield will conduct due diligence to confirm that unaffiliated solicitors are properly licensed and reasonably believe solicitors are making such disclosures described above.

## **ITEM 15 - CUSTODY**

Anfield has limited custody of some of our direct clients’ funds or securities when the direct clients authorize us to deduct our management fees directly from the client’s account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients’ funds and securities. Clients will receive statements directly from their qualified custodian at least quarterly. The

statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fee.

Clients should carefully review the account statements they receive from the qualified custodian. When clients receive statements from Anfield as well as from the qualified custodian, they should compare these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

## **ITEM 16 - INVESTMENT DISCRETION**

### **Discretionary Management**

Anfield generally accepts discretionary authority to manage securities accounts on behalf of clients. Our discretionary authority to manage securities accounts on behalf of clients is limited only by the terms of the investment management agreement for direct clients and the sub-advisory agreement with investment advisers. In exercising our discretionary investment authority, ACM will normally determine, without consultation with our clients on a transaction-by-transaction basis: 1) which securities are to be bought and sold for the account, 2) the total amount of such purchases and sales, 3) the broker-dealers through which transactions will be executed (for direct clients only), 4) whether a client's transaction should be combined with those of other clients and traded as a "batch," and 5) the commission rates paid to effect the transactions (also, for direct clients only).

Clients approve the custodian to be used and the commission rates paid to the custodian. We do not receive any portion of the transaction fees or commissions paid by the client to the custodian.

Clients grant us discretionary authority in the contracts they sign with us. Clients also give us trading authority over their accounts when they sign the custodian paperwork.

However, certain client-imposed conditions may limit our discretionary authority, such as where the client prohibits transactions in specific security types or directs us to execute transactions through specific broker-dealers. See also ***Tailored Services and Client Imposed Restrictions*** under ***Item 4*** and ***Item 12 – Brokerage Practices***, above.

### **Non-Discretionary Management**

For non-discretionary accounts, we will contact the client before making recommendations we deem to be appropriate for the client. Non-discretionary clients should be aware that recommendations are typically time sensitive and the following circumstances may cause market movements to work against the client:

1. We will not effect the transaction until we receive verbal or written instructions from the client;
2. We generally will not aggregate transactions for non-discretionary accounts with discretionary accounts; and

3. Transactions for non-discretionary accounts will generally be effected after transactions in discretionary accounts.

## ITEM 17 - VOTING CLIENT SECURITIES

### Proxy Voting

Anfield does not accept or have the authority to vote securities in individually managed accounts. ACM will not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Our individually managed account clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

Where a client's account is invested in mutual funds, the investment adviser that manages the assets of the mutual fund generally votes proxies issued on securities held by the fund.

#### *Mutual Funds and ETFs*

For the Anfield Universal Fixed Income Fund, and the Anfield ETFs sub-advised by Anfield, Anfield is responsible for voting proxies for the securities held in the funds in accordance with the voting policies of the funds.

### Class Actions

Anfield does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

## ITEM 18 - FINANCIAL INFORMATION

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. Anfield does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance does not have or foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.