

Item 1-Cover Page

FSAM LLC

Form ADV Part 2A Brochure

(CRD# 287851/ SEC # 801-122054)

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This Brochure provides information about the qualifications and business practices of FSAM LLC, an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). If you have any questions about the contents of this brochure, please contact us at (770) 777-9373 or by email at cco@fssec.com.

The information in this Brochure has not been approved or verified by the SEC or any state securities authority. Nothing in this document is to be construed as a recommendation or an endorsement by the SEC or any state securities authority or an offer of securities; please refer to the actual client agreements and related legal documentation for complete disclosures. Registration with the SEC or any reference to or use of the terms "registered investment adviser" or "registered" does not imply that **FSAM LLC** or any associated person has achieved a certain level of skill or training.

Additional information about FSAM LLC is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by our firm name or by entering our CRD number, which is 287851.

Item 2 Material Changes

FSAM LLC ("FSAM") reviews its Form ADV Part 2A Brochure at least annually to confirm it remains current. In this item, we are required to summarize only those material changes made to our Brochure since our last annual updating amendment on March 28, 2024. If you are receiving this document for the first time, this section may not be relevant to you.

Since our last annual update, revisions have been made to the following Brochure sections:

- Item 4 has been updated to accurately reflect FSAM's regulatory assets under management.
- Item 4 has been updated to include an AssetMark Advisory Program and Managed360 Wrap Fee Programs.
- Item 4 has been updated to include 401K Advisory Services and Variable Annuity Services.
- Item 5 has been updated to include all fees for the AssetMark Advisory Program and the Managed360 Wrap Fee Program.
- Item 5 has been updated to include a revised fee schedule for Advisory Managed Accounts and International Accounts.
- Item 5 has been updated to include fees for the 401K Advisory Program and Variable Annuity Services.
- Item 10 has been updated to more fully discuss FSAM's affiliated broker-dealer and investment advisers and the conflicts of interest associated with such affiliates.

Full Brochure Availability

We may, at any time, amend this document to reflect changes in FSAM's business practices, policies, procedures, or updates as mandated by securities regulators. Annually and as necessary, due to material changes, we will provide clients (either by electronic means or hard copy) with a new Brochure or a summary of material changes from the document previously supplied, with an offer to deliver a full Brochure upon request. Please retain this for future reference as it contains essential information concerning our advisory services and business.

You can view our current disclosure documents at the SEC's Investment Adviser Public Disclosure ("IAPD") website at <http://www.adviserinfo.sec.gov> by searching our name or CRD #287851. The SEC's website also provides information about any FSAM-affiliated person registered or required to be registered as an Investment Advisor Representative of the Firm. You may also request a copy free of charge by contacting us at (770) 777-9373 or by email at cco@fssec.com.

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Item 4 – Advisory Business

Firm Information

FSAM, LLC. (“FSAM”) is an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”) since 2017 providing various investment advisory and consulting services to investors. FSAM is owned by Heath Hawk, Vasileios Sfyris and The Estate of Benjamin T. Eiler.

FSAM works with each Client to determine their investment objectives and risk profile and develop a customized investment plan based on their individual needs and goals. FSAM offers investment and wealth management services to individuals, trusts, businesses and corporations (“Clients”) through:

- Direct management of Client portfolios (“Advisor Managed Accounts”)
- Variable Annuity Sub Account Management Services
- 401K Advisory Programs
- Wrap fee account programs through third-party sponsors:
 - BNY Mellon Advisors Managed360 Program (“Managed360 Program”)
 - AssetMark Asset Allocation Platform (“AssetMark Platform”)

Each of these service offerings are discussed below. In addition, please refer to the FSAM, Form ADV Part 2A Appendix, Wrap Fee Brochure (“FSAM Wrap Fee Brochure”) for full details regarding the wrap fee programs, services and fees.

As of September 30, 2024, FSAM had \$71,457,869 assets under management, all of which are considered discretionary. FSAM also views itself as an “operationally integrated” adviser with its affiliates, PRCE Management LLC (“PRCE”) and Phorcys Capital Partners LLC (“PCP”), in accordance with the doctrine established in the Richard Ellis no-action letter (discussed in Item 10, below). PCP, PRCE and FSAM collectively manage approximately \$262.2 million in assets when considered on an operationally integrated basis.

Advisor Managed Account

In an Advisor Managed Account, the Client’s Investment Advisor Representative (“Representative”) is responsible for tailoring an investment program to a Client’s individual needs. Through personal discussions in which goals and objectives based upon the Client’s personal objectives are established, the Representative will develop a personal investment policy based upon an investment objective questionnaire and manage the

portfolio according to the criteria. Each Client has the ability to impose reasonable restrictions on the management of his/her account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account. These restrictions must be documented as part of the Client's investment advisory agreement or in a written addendum thereto. The Adviser may provide additional services to clients as negotiated with each client and Adviser may charge a fee that would be negotiated with the client.

Variable Annuity Sub-Account Management Services

FSAM offers clients the option to invest in annuity products through a selection of allocation models, subaccounts and/or index segments. We will help you formulate an Investment Strategy related to the Investment Options offered through the Insurance Carriers to be implemented through your Annuity Contract. Please consult your Annuity's prospectus and Annuity Contract for specific details, features and fees charged by your Annuity.

The Advisor will select a product taking into the consideration the Client's financial goals, risk tolerance and time horizon. FSAM monitors market conditions and the performance of variable annuity subaccounts and provides advice and recommendations regarding exchanging as necessary between subaccounts available from the insurance company issuing the variable annuity.

The Annuity Program is managed on a discretionary basis as indicated in the Agreement. Clients may grant the Firm discretion to: (a) select investment strategy allocations for clients' existing or new annuity products; and (b) allocate among the investment strategy allocations available from the specific annuity sponsor.

Any changes in client's annuity investments (reallocations among investment strategy allocations) are subject to the terms and conditions imposed by the applicable annuity sponsor. The assets invested in any annuity product for which the Firm is providing advice are included in the total assets on which the Firm's advisory fee is calculated.

Wrap Fee Programs

FSAM offers the wrap fee programs offered by independent third-party advisers. A wrap fee account generally involves an investment account where you are charged a single, bundled, or "wrap" fee for investment advice, brokerage services, administrative expenses, and other fees and expenses.

Managed360 Program

The Managed360 Program allows the Client, with the assistance of their Representative, to select one or more third-party portfolio managers, which may be affiliated with BNY Mellon Advisors, LLC. (“BNYMA”), (each a “Portfolio Manager”) to manage a separately managed account on a discretionary basis. Based on information that the Client provides their Representative, FSAM will formulate an asset allocation proposal and identify Portfolio Managers to manage the account. In accepting the proposal, the Client authorizes BNYMA to delegate discretionary trading authority to the selected Portfolio Manager(s). You may impose restrictions on specific securities or the types of securities (based on industry) to be bought and sold in your account. Reasonable restrictions will be considered; however, BNYMA may refuse any restriction it believes may interfere with its investment discipline, in its sole discretion. Restrictions cannot be applied to the underlying holdings of pooled investment vehicles, such as mutual funds or ETFs, because trading by BNYMA is done at the fund level and not at the underlying security level.

The Managed360 Program offers various wrap fee programs which are further described below.

- BNY Mellon AdvisorFlex Portfolios

BNYMA acts as a Portfolio Manager in offering BNY Mellon AdvisorFlex Portfolios (“AdvisorFlex Portfolios”), formerly known as Lockwood AdvisorFlex Portfolios, which is a flexible mutual fund and ETF wrap account product available in the Program with a \$50,000 minimum investment. This product is not available to non-US residents.

- BNY Mellon Target Risk Focus Portfolios

The BNY Mellon Target Risk Focus Portfolio (formerly known as Lockwood Asset Allocation Portfolios) is a discretionary mutual fund and ETF wrap account product with a \$10,000 minimum investment that seeks to assist emerging and mass-affluent investors grow their wealth. This product is not available to non-US residents. BNYMA, serving as the Portfolio Manager, determines asset allocation strategy and selects investment vehicles for the portfolios, based on its proprietary approach to asset allocation, macroeconomic outlook and investment discipline.

- BNY Mellon Target Risk Portfolios

BNY Mellon Target Risk Portfolios (“Target Risk Portfolios”), formerly known as Lockwood Asset Allocation Portfolios, is a discretionary mutual fund and ETF wrap account product with a \$50,000 minimum investment. This product is not available to non-US residents. BNYMA, serving as the Portfolio Manager, determines asset allocation strategy and selects investment vehicles for the portfolios, based on its proprietary approach to asset allocation, macroeconomic outlook and investment discipline. These portfolios may consist of open and closed-end mutual funds, ETFs and other types of securities, as determined by BNYMA, in its sole discretion.

- BNY Mellon/American Funds Core Portfolios

BNY Mellon/American Funds Core Portfolios, formerly known as Lockwood/American Funds Core Portfolios, is a discretionary mutual fund and ETF wrap account product with a \$10,000 minimum investment. This product is not available to non-US residents. BNYMA, serving as the Portfolio Manager, allocates investor assets systematically across multiple asset classes and styles using American Funds mutual funds and other select ETFs in a single account. BNYMA determines the asset allocation strategy and selects investment vehicles for each investment style in the portfolio, based upon proprietary modeling strategies, economic outlook and investment research discipline. BNYMA is solely responsible for the fund selection and construction of the BNY Mellon/American Funds Core Portfolios and neither American Funds Distributors, Inc. nor its affiliates are involved in such activities, nor do American Funds Distributors, Inc. or its affiliates serve as investment adviser to Client accounts.

- BNYMA Third-Party Strategists

The BNY Mellon Advisors Third-Party Strategists Offering (“BNYMA Third-Party Strategists”), formerly known as Third Party Strategists, is an open architecture mutual fund and ETF models and provides you with access to asset allocation models generated by Third Party Model Providers. This product is not available to non-US residents. The minimum account size to open an account varies based on the third-party manager. Account minimums range from \$50,000 to \$250,000.

- Third Party Separately Managed

The SMA product provides you with access to third party Portfolio Managers who manage separately managed accounts on a discretionary basis. BNYMA collects a

program fee (the “Program Fee”) for the SMA program for the services provided by BNYMA, Broker, Pershing, the Firm (if applicable) and the Portfolio Managers with respect to the SMAs. To the extent that Pershing Advisor Solutions is the broker, the Program Fee will also include administrative and operational services provided by Pershing Advisor Solutions. The maximum Program Fee for the SMA program is set forth in the tables below. The fees are negotiable based on a number of factors that may result in a particular Client paying a fee greater or less than the fees shown below. This product is not available to non-US residents.

AssetMark Platform

AssetMark, Inc. is the sponsor of the AssetMark Platform, a managed account platform that offers its advisory services and platform services to Clients. Clients can invest in, among other things, a variety of asset allocation portfolios using open-end mutual funds and other investment vehicles. AssetMark provides account administration, custody, brokerage and advisory services; as such, the AssetMark Platform is therefore considered a “wrap program.”

To establish a Client’s account on the AssetMark Platform, FSAM and the Client will enter into an advisory agreement. A Client will typically complete a questionnaire, or otherwise provide information to FSAM, to enable the Client and FSAM to identify the Client’s risk tolerance and rate of return objectives. The Client typically will provide FSAM with information concerning the Client’s investment experience, anticipated need for liquidity, potential timing of the need for retirement funds, and other investment needs and parameters.

FSAM recommends an asset allocation strategy to the Client and monitors whether to recommend that the Client remain in the selected strategy. Implementation is based on the Client’s risk and return profiles (Conservative, Moderate Conservative, Moderate, Moderate, Moderate Growth, Growth and Maximum Growth), which consider the estimated risk relative to potential return. Generally, the percentage allocation to equity securities targeted for each Risk/Return Profile increases for each Profile from Conservative, which would represent the lowest target allocation of equity securities, through Maximum Growth, which would represent the highest target allocation of equity securities.

The AssetMark Platform offers various options (“Solution Types”) for the Client’s investment objectives and financial condition. AssetMark makes available three general solution types on the Platform. The account is opened and custodied at AssetMark and a

minimum account size is required to open a portfolio and can range from \$10,000 to \$250,000 depending on the model selected.

- **Model Portfolios** – A Client can open an account in which the account is allocated among securities and other investment vehicles on a non-discretionary basis pursuant to Model Portfolios. Model Portfolios include mutual fund and ETF investment strategies and Separately Managed Accounts (“SMA”). SMA Model Portfolios are allocated among securities and other investment vehicles in accordance with the model and are typically selected for a specific asset class. AssetMark serves as the Overlay Manager with regard to SMA accounts.
- **Individually Managed Accounts (“IMA”)** – the Client Account is managed, and individual Client Account trades are implemented on a discretionary basis by a “Discretionary Manager” (also referred to as an “Investment Manager”). For some IMAs, AssetMark serves as the Discretionary Manager; for others, a third-party manager serves as Discretionary Manager and AssetMark has no role in trading for the IMA.
- **Individual Mutual Fund (“IMF”)** – Client accounts are allocated to a single mutual fund and is intended to complement other portfolios available on the AssetMark Platform, as part of the Client’s overall Portfolio. The IMF’s used can be Proprietary or third-party funds. Each IMF is not available at all Custodians. Clients should be aware that the Platform Fees charged by AssetMark for this service can be higher or lower than those charged by others in the industry or directly from the third-party mutual fund provider, and that it can be possible to obtain the same or similar services from other investment advisers at lower or higher rates. AssetMark may waive the Platform Fee in its discretion. A Prospectus for any individual mutual fund made available under this portfolio can be obtained upon request from AssetMark or the Client’s Representative. Clients should review fund prospectuses and consult with their Representative if they have questions regarding these IMF Portfolios. The mutual funds shares selected for use can be institutional or retail shares, and can include administrative service fees, sub-transfer agency fees and/or 12b-1 fees, which are fees borne by Clients.

Solution Types are available through third-party investment managers, including AssetMark Asset Management (“AAM”). With respect to those Strategies in which AssetMark acts as a Discretionary Manager, its obligations are accordingly those of a Discretionary Manager and include the selection of securities for the Account and trade execution.

401K Advisory Program

Our 401K Advisory Program is a discretionary program that provides you with fee-based asset management in an employer-sponsored retirement plan. The program permits your IAR to manage your employer-sponsor retirement plan account rather than a self-directed brokerage account. Your IAR's investment advice and recommendations for investments in your account are limited to only those investment options made available in the employer-sponsored retirement plan.

FSAM has engaged Pontera as a third-party platform to facilitate management of held away assets such as defined contribution plan participant accounts, with discretion. A link will be provided to you allowing Pontera to connect your account(s) to the platform. Once your account(s) is/are connected to the platform, your investment adviser representative will review the current account allocations. When deemed necessary, your investment adviser representative will rebalance the account considering your investment goals and risk tolerance and may change your allocations or future contributions based on current economic and market trends. Any contributions or distributions to or from your account must be administered through your employer-sponsored plan. You may terminate your Program Agreement at any time by removing your account from the Pontera platform. Upon termination, we and our IARs will no longer have access to your account, and as such, you will be responsible for monitoring the investments in your account.

ERISA and Individual Retirement Accounts Disclosure

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice).
- Never put our financial interests ahead of your interests when making recommendations (give loyal advice).
- Avoid misleading statements about conflicts of interest, fees, and investments.
- Follow policies and procedures designed to ensure that we give advice that is in your best interest.
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

Retirement Plan Rollover Recommendations

To the extent we recommend you roll over your account from a current retirement plan to an individual retirement account (“Rollover IRA”), managed by FSAM, it creates a conflict of interest. We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to a Rollover IRA managed by FSAM. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to a Rollover IRA managed by FSAM. Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to a Rollover IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in FSAM receiving unreasonable compensation related to the rollover of funds from the retirement plan to a Rollover IRA, and (iii) fully disclose compensation received by FSAM and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to a Rollover IRA and refrain from making any materially misleading statements regarding such rollover.

Termination of Advisory Account

Upon notification of the death of a client, FSAM will cease advisory services. No additional trading or liquidations will occur, and the account will be frozen until the necessary documents are provided to transfer the account to the individual's estate, joint owner, or beneficiary, as applicable based on the account type and instructions set up by the client. In addition, all POAs will be cancelled. Any prepaid, asset-based fees will be prorated to the date FSAM was notified and refunded to the client.

Upon written receipt of notice to terminate its client agreement for any reason, and unless specific transfer instructions are received, FSAM and its agent will cease advisory services. Should the client provide specific instructions to liquidate, FSAM will proceed with liquidation of the client's account in an orderly and efficient manner. There will not be a charge by FSAM for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that could affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities markets be unavailable, and trading suspended, efforts to trade will be made as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. FSAM and its agent are not responsible for market fluctuations in the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

Item 5 – Fees and Compensation

Advisor Managed Account

The specific manner in which fees are charged by the FSAM is established in a client's written agreement. Fees are based on a percentage of assets under management, calculated annually and billed quarterly in advance of services. Fees are based on the assets in the account per the schedule below and in some instances, may be negotiated. Accounts previously opened may have been subject to other fee arrangements.

Account Size	Annual Fee Client 's Agreed upon Fee
Up to \$499,999	1.50%
\$500,000 - \$999,999	1.35%
\$1,000,000 - \$1,999,999	1.10%
Above \$2,000,000	1.00%

*****Annual fees in international advisory accounts may range up to 2%. All fees are negotiable between the client and FSAM.***

The initial fee is due in full one business day after the client's account is accepted and opened and will be based on the initial asset value of the account on that date. The initial fee will be prorated according to the number of days remaining in the calendar quarter.

Thereafter, the fee will be calculated by multiplying the fair market value of the assets in the account as of the last trading day of each calendar quarter by the annual fee rate and then dividing that result by four, which represents each quarter. Upon termination of an account, any prepaid, asset-based fees will be prorated according to the days the account was opened during the calendar quarter and excess fees will be refunded to the client.

In addition to the advisory fee, First Southern, LLC ("FS"), an affiliated broker-dealer, receives additional compensation from the custodian ("Custodian") based on the value of credit balances (i.e., uninvested cash) in Client accounts. If cash is swept into a money market fund, FS receives compensation based on the value of assets in these funds as broker-dealer. Thus, FSAM has an incentive to recommend the client select a money market fund as a sweep vehicle that pays more compensation to FS than other funds.

Item 12 below describes the factors FSAM considers in selecting or recommending broker-dealers and determining the reasonableness of their compensation.

The transaction charges have been established to compensate our firm for its services and reimburse us for expenses in executing transactions in the accounts. The transaction charges are negotiated with our custodian and may be higher than transaction charges or commissions that a client might pay if the transactions were executed at another broker dealer. FSAM and the custodian each receive a portion of the transaction fees paid by clients. Although transaction charges may be identified as commissions on trade confirmations, the Investment Adviser Representative does not receive any portion of these charges. Otherwise, neither FSAM nor its supervised persons receive compensation for any client's purchase or sale of securities or other investment products.

Except for Wrap Fee accounts, FSAM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients could incur certain charges imposed by custodians, brokers, third-party investment advisers and other third parties such as fees charged by managers, custodial fees, margin, extension or debit balance fees, IRA fees, exchange fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer, postage, foreign exchange and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees and may charge contingent deferred sales charges or 12b-1 fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to FSAM's fee, and FSAM shall not receive any portion of these commissions, fees, and costs. Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement.

Advisory accounts held at Pershing that have a Puerto Rico security held in the account will be charged a \$50.00 Puerto Rico Reporting Fee that is passed through and charged by the clearing firm to cover their costs for reporting to the Puerto Rico authorities on an annual basis. International accounts are charged an annual account fee of \$375.

Although FSAM believes its fees are reasonable in light of the services provided, clients should be aware that transaction fees may be higher than those otherwise available if advisory services and brokerage services were provided separately for a discrete fee or if an investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. The comparison is dependent upon a number of factors, including the frequency of brokerage activity in the client's account, the size of the account under management, and any negotiated fee arrangements with respect to the account. An investor should consider these factors prior to opening an Advisory Account with FSAM. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. All fees described herein are subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested.

Client and/or the FSAM may initiate termination of the contract at any time by sending written notice to the contra party and will deem it to be accepted on the day that it is received by the contra party. If the client terminates the contract within five business days, there will be no penalty charged, and the client will receive a full refund of any fees paid.

Variable Sub-Account Management Services

You will pay a 1.5% annualized fee to FSAM based on the total amount of assets in the variable annuity calculated annually and billed quarterly in advance of services. This fee is negotiable.

You may incur fees and charges imposed by third parties other than FSAM when investing in a variable annuity. Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges, annuity subaccount management fees, administrative servicing fees, plan recordkeeping, mortality charges, and early redemption. These fees are in addition to the fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

Upon termination of an account, any prepaid, asset-based fees will be prorated according to the days the account was opened during the calendar quarter and excess fees will be refunded to the client.

Managed360 Program

When participating in the Managed360 Program, clients will pay a Program fee, which varies based on the particular program selected plus a fee to FSAM for the services it provides.

BNY Mellon AdvisorFlex Portfolios

The Program Fee for AdvisorFlex Portfolios accounts is billed quarterly in advance, as follows:

Account(s) Size	Program Fee
First \$500,000	0.40%
Next \$500,000	0.35%
Over \$1,000,000	0.25%

FSAM receives an additional 1% annualized fee in addition to the Program Fee noted above.

BNY Mellon Target Risk Focus Portfolios

The Program Fee for Target Risk Focus Portfolios accounts is billed quarterly in advance, as follows:

Account(s) Size	Program Fee
First \$250,000	0.30%
Next \$250,000	0.25%
Next \$500,000	0.20%
Next \$4,000,000	0.15%
Over \$5,000,000	0.10%

FSAM receives an additional 1% annualized fee in addition to the Program Fee noted above.

BNY Mellon Target Risk Portfolios

The Program Fee for Target Risk Portfolios accounts is billed quarterly in advance, as follows:

Account(s) Size	Program Fee
First \$250,000	0.40%
Next \$250,000	0.35%
Next \$500,000	0.30%
Next \$4,000,000	0.25%
Over \$5,000,000	0.20%

FSAM receives an additional 1% annualized fee in addition to the Program Fee noted above.

BNY Mellon/American Funds Core Portfolios

The Program Fee for BNY Mellon/American Funds Core Portfolios accounts is billed quarterly in advance, as follows:

Account(s) Size	Program Fee
First \$250,000	0.30%
Next \$250,000	0.25%
Next \$500,000	0.20%
Next \$4,000,000	0.15%
Over \$5,000,000	0.10%

FSAM receives an additional 1% annualized fee in addition to the Program Fee noted above.

BNYMA Third-Party Strategists

The Program Fee for BNYMA Third-Party Strategists accounts is billed quarterly in advance, as follows:

Account(s) Size	Program Fee
First \$250,000	0.30%
Next \$250,000	0.25%
Next \$500,000	0.20%
Next \$4,000,000	0.15%
Over \$5,000,000	0.10%

FSAM receives an additional 1% annualized fee in addition to the Program Fee noted above.

Third Party Separately Managed

The SMA product provides you with access to third party Portfolio Managers who manage separately managed accounts on a discretionary basis. BNYMA collects a program fee (the “Program Fee”) for the SMA program for the services provided by BNYMA, Broker, Pershing, the Firm (if applicable) and the Portfolio Managers with respect to the SMAs. To the extent that Pershing Advisor Solutions is the broker, the Program Fee will also include administrative and operational services provided by Pershing Advisor Solutions. The maximum Program Fee for the SMA program is set forth in the tables below. The fees are negotiable based on a number of factors that may result in a particular Client paying a fee greater or less than the fees shown below. In certain cases, the Program Fee for SMA differs between the different distribution channels through which your Firm participates in the Program. For example, the Firm may participate in the Turnkey Asset Management Program (“TAMP”) channel of the Program, in which BNYMA arranges for Pershing Advisor Solutions to be Broker. The minimum investment, which varies by Portfolio Manager. This product is not available to non-US residents.

For the TAMP channel, the Program Fee for Equity and Balanced Styles and Program Fee for Fixed Income Styles are as follows:

Account(s) Size	Program Fee for Equity and Balanced Styles	Program Fee for Fixed Income Styles
First \$500,000	0.95%	0.57%
Next \$500,000	0.90%	0.54%
Next \$4,000,000	0.85%	0.51%
Over \$5,000,000	0.75%	0.47%

FSAM receives an additional 1% annualized fee in addition to the Program Fee noted above.

Effective September 30, 2017, in distribution channels other than the TAMP channel, the Program Fee for Equity and Balanced Styles and SMA Program Fee for Fixed Income Styles are as follows:

Account(s) Size	Program Fee for Equity and Balanced Styles	Program Fee for Fixed Income Styles
First \$500,000	0.88%	0.52%
Next \$500,000	0.83%	0.49%
Next \$4,000,000	0.78%	0.46%
Over \$5,000,000	0.68%	0.42%

FSAM receives an additional 1% annualized fee in addition to the Program Fee noted above.

Where your Firm participates in the TAMP channel, BNYMA or Pershing Advisor Solutions provides additional administrative services. Accordingly, BNYMA charges a lower Program Fee for Equity and Balanced Styles and a lower Program Fee for Fixed Income Styles for accounts in other channels; however, this decision is made in BNYMA's sole discretion and varies by product type. Pershing Advisor Solutions participates in both the TAMP channel and another channel and provides different services depending upon whether the TAMP channel is selected.

The maximum Program Fee for Laddered Bond Styles is set forth in the table below. The fees are negotiable based on a number of factors that may result in a particular Client paying a fee greater or less than the fees shown below.

Account(s) Size	Program Fee for Laddered Bond Styles
First \$500,000	0.35%
Next \$500,000	0.33%
Next \$4,000,000	0.30%
Over \$5,000,000	0.25%

FSAM receives an additional 1% annualized fee in addition to the Program Fee noted above.

About the Program Fees

The Program Fee for all Managed360 Programs includes the BNYMA advisory fee, BNYMA's sponsor fee and Pershing's clearing and custody fee and managed account platform fee. To the extent that Pershing Advisor Solutions is the broker, the Program Fee will also include administrative and operational services provided by Pershing Advisor Solutions.

With respect to the AdvisorFlex, Target Risk Focus, Target Risk and BNY Mellon/American Funds Core Portfolios, the Program Fee does not include fees or expenses associated with the mutual funds and ETFs an account invests in, which include those advisory fees and other operating expenses which are part of the internal expense ratio of the fund (as described in the fund's prospectus), such as transfer agent, distribution (12b-1), shareholder servicing, networking and recordkeeping fees and any transaction costs associated with the underlying investments held by the fund. Your account will bear these fees and expenses as an investor in such mutual funds and ETFs and, as a result, you may bear higher expenses than if you invested directly in the securities held by the respective mutual fund or ETF.

With respect to mutual funds included in AdvisorFlex, Target Risk Focus or Target Risk Portfolios, the respective mutual funds may charge a redemption fee if shares are redeemed within a specified period of time. The amount of the redemption fee, as well as the minimum holding period, is disclosed in each of the respective mutual fund's prospectuses. For complete details, you should review each mutual fund's prospectus.

With respect to the BNYMA Third-Party Strategists Offering, the Program Fee does not include the Model Fee, or fees or expenses which may be associated with the mutual funds and ETFs an account invests in, which include those advisory fees and other operating expenses which are part of the internal expense ratio of the fund (and as described in the fund's prospectus), such as transfer agent, distribution (12b-1), shareholder servicing, networking and recordkeeping fees and any transaction costs associated with the underlying investments held by the fund. Your account will bear these fees and expenses as an investor in such mutual funds and ETFs and, as a result, you may bear higher expenses than if you invested directly in the securities held by the respective mutual fund or ETF. The Model Fee will include an administrative fee received by Pershing ("Administrative Fee") for services associated with trade administration support for the Models, the portfolio accounting system, the billing support provided to Third Party Model Providers, tax lot or performance reporting and other administrative services. In certain instances, the Administrative Fee will be reduced or waived.

Your total advisory fee will vary depending on the products and services you select. In evaluating a wrap fee program, Clients should consider a number of factors. In many instances, a client is able to obtain some or all of the services available through a particular wrap fee program on an “unbundled” basis through the program Sponsor or through other firms and, depending on the circumstances, the aggregate of any separately paid fees may be lower (or higher) than the single, all-inclusive fee charged in the wrap fee program. Payment of an asset-based fee may or may not produce accounting, bookkeeping or income tax results that differ from those resulting from the separate payment of (i) securities commissions and other execution costs on a trade-by-trade basis and (ii) advisory fees. Any securities or other assets used to establish a wrap fee program account may be sold, and the Client will be responsible for payment of any taxes due.

Depending on the Product(s) you select, the amount of trading activity will depend on a number of factors such as the investment approach and philosophy, asset class(es) that the portfolio invests in, market conditions and account restrictions. Depending on the amount of trades placed over a given period of time, the wrap fee charged to you may be greater than what would otherwise be charged to you on an unbundled trade-by-trade basis during that same period of time. You should review your account statements to understand the level of trading as well as periodically talk to your Representative about the level of trading in your account, the fees involved and whether a wrap fee program and the particular investment option(s) you selected remain suitable for you.

AssetMark Platform

AssetMark charges an asset management fee which ranges from .75% to 1.5% annually depending on the AUM under management and type of portfolio. FSAM receives a portion of that fee.

Please refer to the AssetMark Inc’s, Form ADV Part 2A Appendix, Wrap Fee Brochure for full details regarding the wrap fee program, services and fees.

401K Advisory Program

The fee assessed to Client 401k account(s) is detailed in our firm’s Investment Advisory Agreement ("Advisory Agreement"). FSAM charges 1% based on the total assets under management in which .30% of that goes to Pontera. The fee is negotiable. The Advisory Fee for the initial period will be paid on a pro rata basis based on the number of days in the billing period in arrears, based on the billing period ending value of the Client’s managed assets. For all future periods, the Advisory Fee will be assessed and payable quarterly, in

advance, based on the balance of Client's managed assets as of the prior period-end. Advisory Fees are debited from a non-qualified brokerage account the client has with FSAM.

In the event Client terminates the Agreement, all prepaid Advisory Fees will be returned to the Client on a pro rata basis determined by the number of days remaining in the month of termination. Advisory Fees charged may be negotiated based on a variety of factors and at the sole discretion of FSAM. Advisory Fees may be modified by the Advisor upon written notice to the Client. No fee adjustment will be made for account deposits and withdrawals during the billing period.

In addition to the fees paid to FSAM, investments used in managing the Account may subject Client to additional fees. For example, mutual funds, index funds, exchange traded funds and private funds typically charge ongoing management fees and have other expenses for the operation of those funds. These fees should not be confused with "loads" or commissions. FSAM does not receive any additional compensation, either directly or indirectly, from these investments.

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

FSAM does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

Item 7 – Types of Clients

FSAM provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates, trusts, and other U.S. and international institutions.

FSAM does not impose a minimum account size requirement, although minimum account sizes are required for the wrap fee programs described in Item 4. Specifically, AssetMark requires a minimum account of \$10,000 and the BNYMA Programs require various account minimums ranging from x to \$250,000. Please see the FSAM Wrap Fee Brochure for details. Under certain circumstances, the minimum may be waived, including related accounts that are combined to meet the minimum.

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

Our investment strategy begins with an understanding of a client's financial goals. Advisors use demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term purchases of stock portfolios, mutual funds, and fixed income securities. Investment recommendations are based on an analysis of the client's individual needs and are drawn from research and analysis. For clients in our Advisor Managed Accounts, FSAM's security analysis methods include the following:

- ***Fundamental analysis:*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors to determine if the company is underpriced or overpriced. Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.
- ***Technical analysis and charting:*** We attempt to determine the trend of a security by studying past market data, including price and volume. This presents a potential risk, as the price of a security can change direction at any time and past performance is not a guarantee of future performance.
- ***Cyclical analysis:*** We attempt to identify the industry cycle of a company to determine whether the company is in a market introduction phase, growth phase or maturity phase. Generally projected revenues, growth potential and business risk may fluctuate based on the company's cycle stage.

The description of strategies is a summary only. Information for this analysis is drawn from financial websites and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

Risks Related to All Investment Programs

It is important to note that investing in securities involves a risk that clients must be prepared to bear. For any risks associated with registered investment company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind.

There can be no assurance that FSAM's investment objectives will be achieved. Accordingly, FSAM's investment strategies could result in significant client losses under certain circumstances.

The following is a summary of material risks related to each significant investment strategy or method of analysis FSAM uses. However, it is important to note that the summary of material risks below is not meant to be exhaustive or complete. Investing in securities involves a high degree of loss, including the risk that the entire amount invested may be lost. Clients should be prepared to bear such risk of loss.

- **Interest-rate Risk:** Fluctuations in interest rates cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** All investments present the risk of loss of principal – the risk that the value of securities is less than the price paid for the securities. In the past, volatile market conditions have had a dramatic effect on the value of securities. In addition, political conditions, terrorist attacks, other acts of violence or war, health epidemics or pandemics, natural hazards, and/or force majeure affect the operations and profitability of an issuer. Such events also could cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy. Any of these occurrences could have a significant impact on the operating results and revenues of an issuer.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. Therefore, even when the value of a security is greater than the price paid, there is the risk that the appreciation will be less than inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its

income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations could result in bankruptcy and/or a declining market value.
- **Foreign Security Risk:** Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks generally are greater with investments in developing companies.
- **Cybersecurity Risk:** The computer systems, networks and devices used by FSAM and our service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.
- Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of mutual funds, ETFs and other securities in which a client invests;

governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

Item 9 – Disciplinary Information

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of this advisory business or the integrity of our management.

Item 10 – Other Financial Industry Activities and Affiliations

Registered Broker-Dealer

FSAM is affiliated with First Southern, LLC (“FS”), a registered broker-dealer, through common control. Individuals associated with FSAM as an Investment Adviser Representative are also Registered Representatives of FS. When applicable, these individuals recommend broker-dealer transactions for advisory clients. When acting in the capacity of an RR for FS, these employees will sell, for commissions, general securities products and receive commission-based compensation in connection with the purchase and sale of such securities. When offering brokerage products as an RR, these individuals are not acting on behalf of FSAM concerning the services provided under our Advisory Agreement. FSAM is not involved in the transaction(s) and receives no compensation for the employee's activity in connection with these activities. Any compensation earned by the employee in the capacity of an RR is separate, in addition to, and not related to our advisory fees or Agreement to provide advisory services. Clients are not obligated to use the employees’ services in this different capacity as broker-dealer employees.

The above practice presents a conflict of interest because the objectivity of the advice rendered to Clients could be biased. As RRs of such broker-dealers, the Representatives providing investment advice on behalf of FSAM can be incentivized to effect securities transactions to generate commissions rather than solely based on a client’s needs. FSAM addresses this conflict of interest by requiring these individuals to disclose the nature of their relationship with Clients and by implementing procedures to ensure that investment recommendations are in a Client’s best interest. The employees satisfy this requirement by advising their clients of the nature of and their role in the transaction or relationship and any compensation, including commissions or otherwise, to be paid to them by the brokerage firms with which they are affiliated at the time of any recommendation made and/or product transactions occur. FSAM further mitigates conflicts through its procedures to review client accounts relative to the client or investor's financial situation to ensure

appropriate investment management services. FSAM is committed to ensuring that all employees adhere to the Firm's Code of Ethics and fulfill their fiduciary duty to Clients.

Certain Investment Adviser Representatives are separately licensed as independent insurance agents/brokers. These individuals spend as much as 10% of their time on these non-advisory activities. In their capacities as independent insurance agents, clients will be charged separately from their advisory services. Clients are under no obligation to purchase any recommended brokerage products or insurance products.

Affiliated Investment Advisers

In addition to FS, FSAM is affiliated through common control with, Phorcys Capital Partners LLC ("PCP") and PRCE LLC ("PRCE"), each an investment adviser registered with the SEC, and Phorcys Investment Advisors, LLC ("PIA"), an SEC registered investment adviser which expects to de-register with the SEC and operate under an exemption from registration available to investment advisers in the Commonwealth of Puerto Rico. Messrs. Hawk and Sfyris are the managing members of PCP and PRCE, PRCE and its affiliate, FSAM, are each related advisers to PCP under Rule 203a-2(b) of the Advisers Act because they are under common control with PCP and have the same principal office and place of business as PCP. Additionally, PRCE, PCP and FSAM also consider themselves "operationally integrated" under the *Richard Ellis, Inc.* SEC No-Action Letter (August 19, 1981), and its related regulatory progeny, as they share, among other things, common ownership, office space, technology, employees and do not maintain specific policies that address regulatory separation of these affiliated investment advisers. While Messrs. Hawk and Sfyris are control owners of PIA, they do not participate in its management and are segregated from its business activities. Accordingly, PRCE, PCP and FSAM do not consider PIA an operationally integrated affiliate.

Clients will be subject to a number of actual and potential conflicts of interest involving FSAM and its affiliates. When a conflict of interest arises, FSAM will endeavor to ensure that it is resolved fairly. FSAM has policies and procedures in place, it believes, are reasonably designed to identify and resolve actual and potential conflicts of interest.

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

FSAM has adopted a Code of Ethics for all supervised persons of the FSAM describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider

trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at FSAM must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of FSAM may buy or sell securities that are recommended to clients. FSAM's employees and persons associated with FSAM are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of FSAM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for FSAM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of FSAM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of FSAM's clients. In addition, the Code requires pre-approval of many transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between FSAM and its clients.

Advisors may recommend and trade in the same securities with clients and/or related accounts at or about the same time. Generally, this would pose a conflict if the Advisor or related account were given a better price than the client. To mitigate this conflict, it is procedure to not trade an Advisors account or related persons account on the same day as a client unless the client gets the better price.

Specifically, managers of FSAM, either individually, through an affiliated private fund or through an affiliated investment adviser, have significant holdings in the following securities:

- Tax-Free Fund for Puerto Rico Residents
- Tax-Free Fund II for Puerto Rico Residents
- Tax-Free Fixed Income Fund for Puerto Rico Residents
- Tax-Free Fixed Income Fund II for Puerto Rico Residents
- Tax-Free Fixed Income Fund III for Puerto Rico Residents
- Puerto Rico Residents Bond Fund I
- Puerto Rico Residents Tax-Free Fund
- Puerto Rico Residents Tax-Free Fund II
- Puerto Rico Residents Tax-Free Fund III
- Puerto Rico Residents Tax-Free Fund IV
- Puerto Rico Residents Tax-Free Fund V
- Puerto Rico Residents Tax-Free Fund VI

Trades may be done on an aggregated basis when consistent with FSAM's obligation of best execution. In such circumstances, the Advisor (or related account) and client accounts will share commission costs equally and receive securities at a total average price. FSAM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro-rate basis. Any exceptions will be explained in the order.

FSAM's clients or prospective clients may request a copy of the FSAM's Code of Ethics by contacting the Compliance Department at our main number.

Item 12 – Brokerage Practices

We recommend the brokerage and custodial services of Pershing as the Custodian for all Client accounts. The Custodian is a registered broker-dealer and does not generally charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed. FS, as the Fully Disclosed Introducing Broker Dealer, provides FSAM direct access to the Custodian. When selecting a custodian to recommend, a number of factors were considered, including their financial strength, reputation, execution capabilities, pricing and services offered. While we consider transaction costs to be reasonable in relation to the value of the brokerage and other services rendered, transaction fees may be higher or lower than fees charged by other broker- dealers.

As noted in Item 5 above, FS receives additional compensation from the custodian ("Custodian") based on the value of credit balances (i.e., uninvested cash) in Client accounts.

If cash is swept into a money market fund, FS receives compensation based on the value of assets in these funds as broker-dealer. Thus, FSAM has an incentive to recommend the client select a money market fund as a sweep vehicle that pays more compensation to FS than other funds.

In return for effecting securities transactions through Pershing, FSAM and FS receive products and services that help us make investment decisions and service our clients' accounts. These products and services are known as "soft dollar benefits." Section 28(E) of the Securities Exchange Act of 1934, as amended, provides a safe harbor that permits advisers when selecting brokers to execute transactions for client accounts, to take into account certain research products and services provided to the adviser by brokers. Clients may pay higher commissions than are obtainable from other brokers as a result of the consideration of research services as a factor in selecting brokers in addition to commission costs and best execution, provided that the adviser determines in good faith that the number of commissions charged are reasonable in relation to the value of the brokerage and research services provided by such broker. If Pershing did not provide FSAM with soft dollar benefits, FSAM would have to pay for these products and services. FSAM may be incentivized to select a broker-dealer based on its interest in receiving research or other products or services rather than a client's interest in receiving the most favorable execution. We may receive some or all of the soft dollar benefits below:

- Billing services
- Performance reporting
- Analyses and research pertaining to specific securities, companies, or sectors.
- Market, financial, and economic studies, forecasts, data, and analyses
- Financial publications
- Statistical and pricing services
- Software and databases
- Computer services and software are used to effect securities transactions and perform functions related to the execution of transactions.

Clients can benefit when we aggregate trades to obtain volume discounts on execution costs. Trade aggregation refers to the practice of combining orders for execution. When consistent with our duty to obtain best execution, we will aggregate multiple client transactions into a single order in order to obtain the best price for our clients. In such circumstances, the accounts will share commission costs equally and receive securities at a total average price. FSAM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed

orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained in the order.

We do not routinely request or require that clients direct us to execute transactions through a specified broker dealer. We will, however, make every effort to accommodate a request to direct brokerage to a client's chosen broker dealer. If a client selects another broker dealer, trades in that account will not be aggregated with trades placed at Pershing and may not receive as favorable of price or execution. If a trade error were to occur, it may result in profit or loss to the firm. The firm has controls in place to limit such trade errors. Investment Advisers will not participate in any profits resulting from such errors. FSAM does not have any arrangements to compensate any broker-dealer for client referrals.

Item 13 – Review of Accounts

Account reviews are conducted by the Representative. Account performance is reviewed not less than annually. Factors that are considered during such reviews include but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, monthly distributions, concentrated positions, diversification, and outside holdings. Examples of situations that may impact Client's account would be the following: performance that is not in line with the client's "downside risk tolerance," change in investment objective, the client makes a significant addition of capital or withdrawal of capital from the account, rebalancing of the portfolio if current allocation and targeted allocation are not consistent, concentrated position that could lead to volatility, etc.

Clients are reminded to inform the FSAM in writing of any material changes to the information included in the questionnaire or any other change in the client's financial circumstances that might affect the manner in which client's assets should be invested. Clients may contact FSAM during normal business hours to consult with the firm concerning the management of the client's account(s). All managed accounts are delivered quarterly statements.

Item 14 – Client Referrals and Other Compensation

As noted in Item 12, FSAM receives certain benefits from Pershing with respect to accounts for which Pershing serves as custodian. These benefits generally are available to other independent investment advisers at no charge to them. FSAM otherwise does not receive an economic benefit from anyone other than the client for providing investment advice and other advisory services.

FSAM has entered Promoter relationships with certain qualified individuals who are paid to refer clients to the Adviser, which can result in the provision of investment advisory services. FSAM ensures that any Promoters used are licensed when required and otherwise qualified to provide investment advice. Unlicensed Promoters may only provide impersonal investment advice by recommending our services and not comment on using the Adviser's services or portfolio construction. The terms of all Promoter arrangements are defined by a contract between the Promoter and FSAM, which sets forth the terms of the Agreement and form of compensation to the Promoter, a percentage of the advisory fees received from referred clients.

Referral arrangements inherently give rise to potential conflicts of interest, particularly when the person recommending an adviser receives an economic benefit, as the payment received could incentivize the Promoter's referral. Accordingly, Promoters are required to disclose to referred clients, in writing, (1) whether they are a client or a non-client, (2) that they will be compensated for the referral, (3) the material conflicts of interest arising from the relationship and/or compensation arrangement, and (4) all material terms of the arrangement, including a description of the compensation to be provided for the referral.

Item 15 – Custody

Clients should receive statements at least quarterly from Pershing or other selected qualified custodian that holds and maintains client's investment assets. FSAM urges clients to carefully review such statements and compare the official custodial records to the account statements that we provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

FSAM may act in a discretionary or non-discretionary capacity. If discretionary authority is granted to select the identity and number of securities to be bought or sold, clients must authorize such discretion in writing in the advisory agreement. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, FSAM observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to FSAM in writing.

FSAM sometimes recommends third party investment managers. When acting in a discretionary capacity, the FSAM has the ability to evaluate managers and switch money managers or reallocate assets among managers without consulting the client. When acting

in a non-discretionary capacity, the advisor will make recommendations, but only the client has the authority to hire or switch money managers or reallocate assets between programs. In all cases, the advisor will monitor performance of the third-party investment manager and will make recommendations consistent with the client's investment objectives and risk tolerance.

Item 17 – Voting Client Securities

As a matter of FSAM policy and practice, FSAM does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients should contact their financial advisor if they have any questions and/or obtain this information. Clients will receive their proxies directly from their custodian or transfer agent.

Item 18 – Financial Information

In certain circumstances, registered investment advisers are required to provide you with financial information or disclosures about their financial condition in this Item. FSAM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has never been the subject of a bankruptcy proceeding.

Privacy Policy

It is the policy of FSAM LLC ("FSAM") to respect the privacy of our customers and to protect the security and the confidentiality of customers' nonpublic information. Information that FSAM collects to provide financial services requested by customers is from sources such as:

- Information we receive from customers on applications, account documents and other forms.
- Information about transactions in your account.
- Information we receive from consumer reporting agencies.

FSAM does not disclose any non-public information about our current or former customers to anyone, except as permitted by law or in order to provide the current services. Our employees have limited access to your personal information based on their responsibilities to provide products or services to you. Be assured that we maintain physical, electronic and procedural safeguards in compliance with federal standards to protect your information.

For more information relating to FSAM privacy policies, please feel free to call us at (770) 777-9373, or write to us at:

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