

# APPLE TREE ASSET MANAGEMENT, LLC

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Form ADV Part 2A  
Firm Brochure  
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This brochure provides information about the qualifications and business practices of Apple Tree Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at (260) 637-7278. 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.

Apple Tree Asset Management, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Apple Tree Asset Management, LLC is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Apple Tree Asset Management, LLC's CRD number is 298437.

## Item 2 - Material Changes

We have one material change to report since last annual update to this firm brochure, which was on March 27, 2024.

- In June 2024, we submitted a request to become registered with the U.S. Securities and Exchange Commission and became registered in July 2024.
- We offer Retirement Plan Consulting Services, please refer to Items 4&5 for additional details.

This Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of these changes. We will also reference the date of our last annual update to this Brochure.

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## Item 4 – Advisory Business

### OWNERSHIP/ADVISORY HISTORY

Apple Tree Asset Management, LLC (“We”) is an Indiana limited liability company established in October 2018 and became registered as an investment adviser in March 2021. We are owned and managed by Keith Layman and Joseph Wiegand. Additional information about Mr. Layman and Mr. Wiegand can be found under Item 19 along with their supplemental brochure.

### ADVISORY SERVICES OFFERED

Before we enter into an adviser-client relationship, we may offer a complimentary general consultation to determine a prospective client’s needs and discuss services available that meet those needs. Only after a prospective client has had time to review our solutions/services can he or she determine whether a relationship might benefit them. Our investment advisory services begin only after we and the client formalize the relationship with a properly executed agreement.

### FINANCIAL PLANNING

We offer comprehensive financial planning along with single issue financial consulting services. Our comprehensive financial planning services includes an evaluation of the client’s financial situations, goals, risk tolerance, and investment time horizon. Through a series of personal interviews and the use of questionnaires, we collect pertinent data, identify goals, objectives, financial problems, and potential solutions. We prepare and present specific recommendations, which are implemented when agreed to by the client. Depending on the client’s situation the written plan may cover any of the following topics: financial and cash management, risk management through the use of insurance, net worth planning, investment planning, estate planning, tax issues, retirement planning, educational funding, goal setting, or other needs as identified by the client and us. The topics are tailored to the needs of the client. At the conclusion of the comprehensive financial planning service, we present the client with a written financial plan.

Our financial consulting service is provided when a client needs assistance with one or two financial topics. This service generally does not involve creating a written financial plan. Typically, we meet with the client to discuss his or her questions, conduct research and present its findings through a second meeting.

### PORTFOLIO MANAGEMENT SERVICES

We offer ongoing portfolio management services that are based on the individual goals, objectives, time horizon, and risk tolerance of each client. We evaluate the current investments of each client with respect to their risk tolerance levels and time horizon. With this information we create a customized portfolio using a combination of our proprietary model portfolios. We will request discretionary authority from a client in order to select securities and execute transactions without permission from the client prior to each transaction. We base its investment recommendations on a variety of factors including, but not limited to, performance risk, fees, tax efficiency of different investment strategies, as well as client input and preferences regarding the strategies.

### RECOMMENDATION AND MONITORING OF THIRD PARTY ADVISERS

We recommend and monitor third-party investment advisers ("Third-Party Adviser"). We may recommend one or more Third-Party Advisers to the client. The recommendation will depend on the client's circumstances, goals and objectives, strategy desired, account size, risk tolerance, or other factors. We work with each client to determine which Third-Party Adviser may be appropriate. Clients are never obligated to use a recommended Third-Party Adviser.

We review the Third-Party Advisers prior to making a recommendation to the client. We consider the following factors during its review: fees, reputation, performance, financial strength, management, price, reporting capabilities, client's financial situation, client's goals, client's needs, and client's investment objectives. After our review, we present the client with one or more recommendations.

If the client wishes to proceed with the recommendation, we will enter into a solicitor agreement with the recommended Third-Party Adviser. Under these arrangements, the Third-Party Adviser is responsible for portfolio management, best execution, portfolio reporting, trading, trade error resolution, and custodian reconciliations. We maintain our relationship with the client by monitoring the status of the client's accounts with the Third-Party Adviser, making recommendation about the Third-Party Adviser, usually meeting with the client either in person, by zoom meeting, or by telephone on an annual basis and acting as the client's primary financial adviser. All questions regarding the Third-Party Adviser's services and performance should be directed to us.

Clients who are referred to Third-Party Advisers will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant Third-Party Adviser's Form ADV Part 2A or equivalent disclosure document before receiving investment advisory services from the Third-Party Adviser.

### QUALIFIED PLAN CONSULTING

We offer qualified plan consulting services. We are able to provide any of the following services to ERISA Plans: Education Services to Plan committee; Participant Education Services; Plan Search Support; Review of Fiduciary Liability Insurance Coverage; Monitoring or Qualified Fiduciary; or Participant Advice. When requested by the client, we will provide any of the following services: create an investment Policy Statement; provide investment Recommendations & Performance Monitoring; or Selection of Qualified Default Investment Alternative.

We also provide services to other non-ERISA qualified plans such as 457 Plans. We offer a variety of services to the qualified plan's trustee. These services include, but not limited to: plan benchmarking of fees, investment policy statement development and drafting, research on investment manager, investment monitoring, participant education services, request for statement of qualification services and request for proposal services. We work with the qualified plan's trustee to tailor a program specifically for the plan.

### TAX PREPARATION

We offer tax preparation and filing services to clients through a separate tax services engagement letter. We provide preparation and filings for federal and applicable state income tax returns to

individuals and families. Our services are only available to our clients who engage us in our financial planning and investment management services.

#### TAILORED SERVICES

The goals and objectives for each client are documented before any investing takes place. Clients may impose restrictions on investing in certain securities or types of securities.

#### WRAP PROGRAM

We are not a sponsor or portfolio management of a wrap fee program.

#### CLIENT ASSETS MANAGED

As of March 14, 2024, we co-manage with Third-Party Advisers \$16,200,000. We also manage on our own \$106,810,000 of discretionary assets and \$0 of non-discretionary assets.

### Item 5 – Fees and Compensation

#### FINANCIAL PLANNING SERVICES

*Comprehensive Financial Planning:* We charge a fixed fee that ranges from \$1,000 to \$5,000 for comprehensive financial planning. The fee varies and depends upon the nature and complexity of each client's individual circumstances.

*Financial Consulting Services:* We assess an hourly rate of \$250 for financial consulting services with a minimum of one hour per engagement. The number of hours will vary depending upon the complexity of the financial situation, preparation, research and number of meetings.

All financial planning and consulting fees are agreed upon signing the financial planning and consulting agreement and collected upon delivery of the financial plan or consulting service. The fees are negotiable and may be waived at the firm's discretion.

#### PORTFOLIO MANAGEMENT SERVICES

We charge an annual management fee that is based on the assets under management in the client's account. The annual management fee is based on the following tiered fee schedule:

<b>Custodian Reported Account Value</b>	<b>Annual Management Fee</b>
First \$0 - \$500,000	1.50%
Next \$501,000 - \$750,000	1.25%
Next \$750,001 - \$1,000,000	1.00%
Next \$1,000,000 +	0.75%

An administrative fee of 0.25% is charged in addition to the management fee.

A tiered fee schedule means that the applicable rate will be applied to the custodian reported value in each account value range. For example, with an account value of \$750,000, the first \$500,000 will be charged 1.50% and the next \$250,000 will be charged 1.25%. Each client's fee schedule will be described in his or her investment management agreement.

The management fee is calculated and billed monthly, in arrears. This means we collect the management fee at the end of the monthly billing period. The management fee will be based

on the average daily account balance for the month as reported by the custodian. The fee will be directly deducted from the client's account (See Item 15 for additional details). The management fee is negotiable based on the size of the account. The client may aggregate accounts to achieve a lower management fee.

Our management fee does not include ticket charges, transaction fees, and other related costs and expenses that are normally incurred by the client. Clients may incur certain other charges imposed by the custodian, trading broker, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer fee, electronic fund transfer fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive, of and in addition to, our fee and we will not receive any portion of these commissions, fees, and costs. For more information about our brokerage practice please see Item 12.A.

#### RECOMMENDATION OF THIRD PARTY INVESTMENT ADVISER

In certain situations, when recommending a Third-Party Adviser, we will be treated as a solicitor of the recommended Third-Party Adviser. When we are acting as a solicitor it does not charge a separate fee for the Recommendation of Third-Party Investment Adviser Services. Instead, we enter into an agreement with the Third-Party Adviser and shares in a portion of the Third-Party Adviser's management fee that is charged to the client. Our portion can be up to 50% of the Third-Party Adviser's management fee. The exact amount will be disclosed in the Third-Party Adviser's Solicitor Disclosure Document, which given to the client upon engagement. Additionally, when the management fee is withdrawn (quarterly or monthly, in advance or in arrears) will vary with each Third-Party Adviser. These details will be disclosed in the Third-Party Adviser's ADV Part 2A and the Third-Party Adviser's Solicitor Disclosure Document; both documents will be given to the client upon solicitation.

As established in Item 10.D – Other Industry Affiliations, by receiving a portion of the Third-Party Adviser's management fee, this creates a conflict of interest for the Adviser. The sharing of the management fees creates a financial incentive to recommend Third-Party Advisers that would pay Adviser a higher percentage of their fee. Adviser attempts to mitigate the conflict of interest to best of its ability by placing the client's interest a head of its own, through its fiduciary duty and by following its Code of Ethics that establishes ideals for ethical conduct.

#### QUALIFIED RETIREMENT PLAN CONSULTING

Our advisory fees may be an hourly fee, a fixed fee, or a fee based on a percentage of assets under management in the plan. We negotiate the type of fee with the client.

*Hourly Fee:* Our hourly rate is \$250. The fee may be negotiable based on the services provided.

*Fixed Fee:* We charge an annual fixed fee ranging between \$1,000 to \$50,000. The fixed fee is negotiable based on the size of the plan.

*Assets Under Management Fee:* We charge an annual management fee based on the asset in the plan. The annual management fee is up to 0.75%. The management fee is negotiable based on the size of the plan and services provided.

Hourly fees are billed monthly in arrears as the hours are accrued. Fixed and assets under management fees are calculated and billed quarterly in arrears. This means we collect the fee at the end of the quarterly billing period. The assets under management fee will be based on the custodian reported plan value as of the last business day of the quarter.

The fees will either be direct deduction from the plan or an invoice will be sent to the client. This will be negotiated with the client and memorialized in the client agreement.

#### TAX PREPARATION SERVICES

We will charge a fee per form that is completed and filed. The fees per form range between \$5 to \$200. Clients will receive a discount that is based on the amount of assets under management they invest with us, the discounts are as follows:

<u>AUM</u>	<u>Discount</u>
0-\$100,000	\$ (25.00)
\$100,001-\$250,000	\$ (50.00)
\$250,001-\$500,000	\$ (75.00)
\$500,001-\$750,000	\$ (125.00)
\$750,001-\$1,000,000	\$ (175.00)
\$1,000,000+	Free for client and children

Fees are due at the completion of the service and may be paid by check, digital payment vender, or from an account managed by us if allowed by the custodian.

#### Termination of Services

The client may cancel the service for any reason during the first five (5) business days from the date of signing the agreement and will receive a refund of 100% of all fees paid without cost or penalty. After the first five (5) business days the client may cancel the agreement by giving ten (10) days written notice. To cancel the agreement, the client must notify us in writing at Apple Tree Asset Management, LLC, 4321 Flagstaff Cove, Fort Wayne, IN 46815. Upon receipt of written notice of termination, if the client was being charged in advance, the client will receive a prorated refund based on the amount of time services were rendered during the termination period. For example, the client would receive a 50% refund if the client is being charged quarterly in advance and services were provided for 45-days during a 90-day quarter. (45 divided by 90 equals 50%)

#### OTHER SECURITIES COMPENSATION

We do not receive any additional securities compensation.

#### RETIREMENT ROLLOVER CONFLICTS OF INTEREST

When we recommend you rollover a retirement account for us to manage, this creates a financial incentive because we charge a fee for our services. We attempt to mitigate the conflict of interest by acting in your best interest and applying an impartial conduct standard to all rollovers. Please note that you are not under any obligation to roll over a retirement account to an account managed by us.



## Item 6 – Performance-Based Fees and Side by Side Management

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or provide side by side management.

## Item 7 – Types of Clients

We offer our services to individuals, high net worth individuals, charities, corporations and other business entities, and pension and profit-sharing plans. We require a minimum account size of \$50,000. This may be waived at our discretion.

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

### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

We use asset allocation as our investment strategy. Asset allocation is an investment strategy that aims to balance a risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance and investment horizon. The asset classes typically include equities, fixed-income, international, and cash and equivalents. The risk associated with asset allocation is that each class has different levels of risk and return, so each will behave differently over time. There is not guarantee that diversification amount asset classes will grow a portfolio.

The main sources of information include signal providers, financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company releases.

### INVESTMENT RISKS

All investment programs have certain risks that are borne by the client and **investing in securities involves risk of loss that clients should be prepared to bear**. Our goal is to reduce the risk of loss, but not at the expense of portfolio growth. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. To manage risk, we rebalance model portfolios on an as needed basis to bring the asset allocations back to their intended balances. The client should feel free to ask questions about risks that he or she does not understand; we would be pleased to discuss them.

### RECOMMENDED SECURITIES

We use several types of securities in client portfolios including, but not limited to, mutual funds, ETFs, stocks and bonds. Some of the risk associated with these securities include:

- **Credit Risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of an investment and/or the future purchasing power of a client's assets.

- **Interest Rate Risk:** The chance that bond prices overall will decline because of rising interest rates.
- **International investing Risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.
- **Manager Risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **Portfolio Concentration:** Accounts that are not diversified among a wide range of types of securities, countries or industry sectors may have more volatility and are considered to have more risk than accounts that are invested in a greater number of securities because changes in the value of a single security may have more of a significant effect, either negative or positive. Accordingly, portfolios are subject to more rapid changes in value than would be the case if the client maintained a more diversified portfolio.
- **Stock Market Risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

## Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. We do not have information applicable to this item.

## Item 10 – Other Financial Industry Activities and Affiliations

### BROKER DEALER AFFILIATION

We are not affiliated with a broker-dealer.

### FUTURES/COMMODITIES FIRM AFFILIATION

We are not affiliated with a futures or commodities broker.

### OTHER INDUSTRY AFFILIATIONS

Our owners and associates may be independent insurance agents and may recommend insurance products to the firm's clients. This other business activity pays them commissions that are separate from the fees described in Item 5 above. This is a conflict of interest because the commissions give our associates a financial incentive to recommend and sell clients insurance products. However, they attempt to mitigate any conflicts of interest to the best of their ability by always acting in the client's best interests through their fiduciary duty. Additionally, the client is informed that he or she always has the right to choose whether to act on the recommendation

and he or she has the right to purchase recommended insurance through any licensed insurance agent.

We provide screening services to Q3 Advisors, LLC's BRI model where we will screen for and provide screen investments on stocks, ETFs, and mutual funds for them to utilize in their BRI Strategy. This other business activity pays us a sub-advisory fee that is separate from the fees described in Item 5 above. This is a conflict of interest because we may recommend that some of our clients utilize Q3 Advisors, LLC through a solicitor arrangement (Item 4) where we will receive a portion of Q3 Advisors, LLC's fee in addition to the sub-advisory fee. However, we attempt to mitigate any conflicts of interest to the best of our ability by always acting in the client's best interests through our fiduciary duty. Additionally, the client is informed that he or she always has the right to choose whether to act on the recommendation and he or she has the right to utilize other third-party investment adviser services through any firm.

#### RECOMMENDATION OF THIRD PARTY INVESTMENT ADVISER

We recommend the services of third party investment advisers. This information can be found under Items 4 and 5. We will ensure that the Third-Party Adviser is properly registered or exempt from registration in the client's state of residence prior to making any recommendation. We receive a portion of the Third-Party Adviser's management fee, which creates a financial incentive to recommend Third Party Advisers that pay a higher percentage of the management fee. We attempt to mitigate the conflict of interest to best of our ability by placing the client's interest ahead of our own, through our fiduciary duty and by following our Code of Ethics that establishes ideals for ethical conduct.

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

#### DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons and it describes our high standard of business conduct and fiduciary duty to our clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons must acknowledge the terms of the Code of Ethics annually or as amended.

#### MATERIAL INTEREST IN SECURITIES

We do not have a material interest in any securities.

#### INVESTING IN OR RECOMMENDING THE SAME SECURITIES

Our owners and associates may buy or sell for their own accounts the same securities at or about the same time that they recommend those securities to you or purchase them for client accounts. A conflict of interest may exist because they can trade ahead of client trades. We mitigate any

conflicts of interest in two ways. First, our Code of Ethics requires employees to: 1) report personal securities transactions on at least a quarterly basis, and 2) provide us with a detailed summary of certain holdings (both initially upon commencement of employment and quarterly thereafter) in which employees have direct or indirect beneficial interest. The reports are reviewed to ensure that we do not trade ahead of your accounts. Second, we require your transactions be placed ahead of our associates' personal trades or our associates can place personal trades as part of a block trade (Please see Item 12.B for details on our block trading practices). The records of all associates' personal and client trading activities are reviewed and made available to regulators to review on the premises.

## Item 12 – Brokerage Practices

### RECOMMENDATION CRITERIA

When we recommend custodians, we seek brokerage firms who offer competitive commission costs together with reliable services. We are not affiliated with a brokerage firm. Brokerage firm does not supervise us, its agents or activities. A client's choice of another broker-dealer is acceptable if proven feasible. We recognize our fiduciary responsibility in negotiating brokerage commissions, assuring best execution practices and assuring adequate investment availability/inventory on behalf of our clients. We do not receive compensation with respect to executions of trades. In some instances, a client will incur a ticket charge for the sale and purchase of securities.

NOTE: Clients may be able to obtain lower commissions and fees from other brokers/custodians, and the value of products, research and services given to the applicant is not a factor in determining the selection of broker/dealers or the reasonableness of their commissions.

### RESEARCH AND SOFT DOLLARS

"Soft dollars" are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. We do not receive any soft dollars.

### BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals or any other incentive from any brokerage firm or custodian.

### TRADE AGGREGATION

We may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and each client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. We may determine not to aggregate transactions, for example, based on the size of the trades, the number of client's accounts, the timing of the trades, the liquidity of the securities or the discretionary or non-discretionary nature of the trades. If we do not aggregate orders, some clients purchasing securities around the same time may receive a less

favorable price than other clients. This means that the practice of not aggregating may cost clients more money.

## Item 13 – Review of Accounts

### PERIODIC REVIEWS

We conduct a review of clients' portfolio management account(s) at least quarterly and determine if rebalancing is necessary. We will also attempt to meet with each client to review their accounts on an annual basis either in person, by telephone, or by a zoom meeting.

### OTHER REVIEWS

Additional reviews may also be triggered by events within client's lives, as well a pertinent news events, changes in federal and state regulatory or tax regimes, and overall economic events.

### REPORTS

Comprehensive financial planning clients receive a written financial plan. Portfolio management and the recommendation of third party adviser clients receive a written summary of accounts at each meeting. Clients will also receive at least quarterly statements from the account's custodian.

## Item 14 – Client Referrals and Other Compensation

### OTHER COMPENSATION

We do not receive extra compensation or any other economic benefit for providing investment advice or other advisory services to clients.

### CLIENT REFERRALS

We do not pay for client referrals or use solicitors.

## Item 15 – Custody

All client funds, securities and accounts are held at a qualified custodian. We do not take possession of a client's securities. However, the client will be asked to authorize us with the ability to instruct the custodian to deduct our management fee directly from the client's account. This authorization will apply to our management fee only. This is considered a limited form of custody. With a limited form of custody, when deducting the fee, we send a billing invoice to each client and his/her custodian, showing the management fee to be debited, amount on which the management fee was calculated, the time period the management fee covers, and how the management fee was calculated. The client may terminate this authorization at any time. In addition to our billing invoice, the client will receive at least quarterly account statements from the qualified custodian that holds the client's assets. We urge each client to carefully review the account statements.

## Item 16 – Investment Discretion

We offer our investment management services on a discretionary basis. The client will sign an investment management agreement containing a limited power of attorney. The agreement grants us discretion to select the time, amount and securities to be bought and sold in the client's account. It also allows us to place the trades without the client's prior approval. The client's custodian may request the client to sign the custodian's limited power of attorney. This varies with each custodian. We will discuss all limited powers of attorney prior to their execution. In all cases, however, discretion is to be exercised in a manner consistent with the stated investment objectives for the client's account, and any other investment policies, limitation or restrictions.

## Item 17 – Voting Client Securities

We will not be responsible for responding to proxies that are solicited with respect to annual or special meetings of shareholders of securities held in clients' accounts. Proxy solicitation materials will be forwarded to clients directly from their accounts' custodian for response and voting. In the event a client has a question about a proxy solicitation, the client should contact his/her investment adviser representative.

## Item 18 – Financial Information

### BALANCE SHEET

We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to provide a balance sheet.

### FINANCIAL CONDITION

We are required in this Item to provide you with certain financial information or disclosures about our financial condition if we have a financial commitment that impairs our ability to service you. We do not have a financial commitment that impairs our ability to service our clients.

### BANKRUPTCY

We have not been the subject of a bankruptcy proceeding.