

**Item 1 Cover Page**

# Moreton Asset Management, LLC

## **Part 2A of Form ADV: Firm Brochure**

Moreton Asset Management, LLC  
40 N 100 E (PO Box 280)  
Farmington, UT 84025  
Telephone: 801-869-4200  
Fax: 801-869-4204  
[www.MoretonAdvisors.com](http://www.MoretonAdvisors.com)

This Firm Brochure (“Brochure”) provides information about the qualifications and business practices of Moreton Asset Management, LLC, an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”).

If you have any questions about the contents of this brochure, please contact us at telephone number 801-869-4200 or email [Team@MoretonAdvisors.com](mailto:Team@MoretonAdvisors.com).

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

Registration with the SEC, or with any state securities authority, does not imply a certain level of skill or training.

This information has not been approved or verified by the SEC or any state securities authority.

Dated March 1, 2024

## **Item 2        Material Changes**

The following summary discloses material changes made to the Brochure since the Adviser's last annual update, which was filed on March 15, 2023:

None

Other information not specified in this summary has been revised. Consequently, we encourage you to read this Brochure in its entirety.

Clients may request a copy of our full brochure by calling 801-869-4200 or emailing a request to: [team@moretonadvisors.com](mailto:team@moretonadvisors.com). Additionally, the ADV Part 2A is available for download at our website: [www.MoretonAdvisors.com](http://www.MoretonAdvisors.com).

### Item 3 Table of Contents

#### Contents

Item 1	Cover Page .....	1
Item 2	Material Changes .....	2
Item 3	Table of Contents .....	3
Item 4	Advisory Business .....	4
Item 5	Fees and Compensation.....	5
Item 6	Performance-Based Fees and Side-By-Side Management.....	7
Item 7	Types of Clients .....	8
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss .....	9
Item 9	Disciplinary Information .....	11
Item 10	Other Financial Industry Activities and Affiliations .....	12
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	14
Item 12	Brokerage Practices .....	15
Item 13	Review of Accounts.....	17
Item 14	Client Referrals and Other Compensation .....	18
Item 15	Custody .....	19
Item 16	Investment Discretion.....	20
Item 17	Voting Client Securities .....	21
Item 18	Financial Information .....	22

## **Item 4          Advisory Business**

**Moreton Asset Management, LLC (MAM)** is a Limited Liability Company headquartered in the State of Utah. MAM became a State Registered Investment Advisory firm in October of 2004, and an SEC-registered Investment Advisory firm in May of 2013. MAM does advisory business in Arizona, Colorado, Idaho, Montana, Nevada, Utah, Washington, and Wyoming.

MAM's principal owners are William R. Moreton, Jason Williams, and Andy Robbins.

### **About Our Referral Services**

MAM has referral agreements with Cambridge Investment Research, Inc. ("Cambridge") and Independent Financial Partners ("IFP"). MAM refers clients to these firms for financial services not offered by MAM and occasionally receives client referrals from these companies. This referral arrangement presents a conflict of interest.

Clients referred to these advisers make the decision concerning what advisor or advisory firm is best qualified to meet their financial needs. In addition, referred clients can impose restrictions on investing in certain securities or types of securities.

### **About our Asset Management Services**

MAM offers investment advice and management services on a discretionary basis for client funds, based on the individual needs of the client.

MAM offers individually customized fixed income asset management services to corporate, municipal, and governmental institutions. Portfolio managers meet with prospective clients to determine investment objectives, risk tolerances, liquidity requirements, and overall investment needs. Investments may include any or all the following:

- Commercial paper and corporate demand note programs
- Money market funds
- Corporate debt securities
- Municipal bonds
- Certificates of Deposit
- United States government securities,
- Government Agency and mortgage-backed securities
- Preferred stocks
- Mutual Funds (fixed income and equity, including equity index funds)

Clients can place restrictions on investments made by MAM.

Additionally, MAM offers a Wrap Fee program where the Client is charged one all-inclusive fee. The all-inclusive fee may include expenses associated with security transactions, custody services, administrative or managerial expenses, etc. The one flat fee "wraps" all these expenses into one fee, charged monthly, quarterly, or annually. MAM receives a portion of this fee.

As of December 31, 2023, MAM had \$3.8 billion in regulatory assets under management. As of that date, MAM managed all Client assets on a discretionary basis and \$0 on a non-discretionary basis.

## **Item 5        Fees and Compensation**

### **Our Referral Business (MAM)**

MAM receives a percentage of the advisory fee paid by you through one of our referral arrangements. This amount, in most instances will not affect the advisory fee you would normally pay. The referral compensation MAM receives from the third party RIA constitutes a conflict of interest.

The percentage of the referral fee paid to MAM will depend upon the referral agreement contracted with each investment adviser. The fee could be ongoing or for the first year of service, depending upon the agreement. The percentage received by MAM is not negotiable.

Information concerning advisory fee schedules, when and how fees are collected, and/or refunded, will be described in the ADV Part 2A Brochure of the investment adviser you determine can meet your financial needs. The total AUM fee paid by clients, including any portion to be paid to MAM, will not exceed two percent.

Additionally, MAM receives a percentage of insurance commissions that are paid by the insurance carrier for insurance products sold. The percentage of insurance commissions paid to MAM by the insurance carrier could constitute a conflict of interest.

### **Our Asset Management Services**

The annualized fee for managed accounts is calculated as a percentage of assets under management, according to the following fee schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
\$0 to \$10 Million	0.25%
\$10 to \$20 Million	0.20%
\$20 to \$40 Million	0.175%
\$40 to \$100 Million	0.15%
Over \$100 Million	Negotiated

MAM associates do not receive compensation (commissions) generated from security related transactions.

Fees for accounts are negotiable based on factors such as referring source, the type of client (corporation, municipality, individual, etc.), the complexity of the client's situation, the composition of the client's account, pre-existing relationships, related accounts, competitive environment, market conditions, the potential for additional account deposits, custody location, the total amount of client assets under management, and other reasons MAM deems appropriate. The minimum opening account size is \$3 million. However, this is subject to management discretion. MAM may open an account that is smaller than \$3 million for reasons it deems appropriate, including, but not limited to: account's potential for future growth, other existing accounts, access to a new market, etc.

Fees for MAM accounts are calculated and charged monthly, in arrears. Fees are debited directly from the client account assets, as described in the advisory contract. Clients must give permission to their Custodian to allow such an arrangement. Fees are based on the average daily balance of the assets under management.

MAM may also enter an advisory relationship with a client and/or bill/invoice the client directly for advice rendered on an hourly basis. The rate at which MAM bills for such arrangements is detailed in each individual

advisory agreement.

Outside of MAM's advisory fee, Clients may have to pay custodial fees, brokerage fees, investment management fees of underlying funds and other transaction fees related to their investment.

Additionally, MAM occasionally charges nominal fees for teaching classes and/or educational seminars, often associated with an association or organization, and/or in connection with a conference or symposium.

## **Item 6            Performance-Based Fees and Side-By-Side Management**

MAM does not receive compensation from any Performance-Based Fees and does not participate in side-by side management.

## **Item 7        Types of Clients**

### **Our Referral Services**

Clients that can best utilize the services referred by MAM are:

- Individuals
- Trusts
- Estates or charitable institutions
- Corporations and business entities
- State or municipal government entities

Clients referred to Investment Advisory Companies consist primarily of Accredited Investors, Business Owners and High Net Worth individuals.

There may be minimum investment amounts imposed by the investment adviser in order to invest with them.

### **Our Asset Management Services**

MAM provides advisory and asset management services to the following types of clients:

- Individuals (high net worth individuals, accredited investors, business owners);
- Trusts;
- Estates or charitable institutions;
- Corporations and business entities;
- State and municipal government entities;
- Credit unions and banks;
- Insurance companies;
- Universities, hospitals, and other non-profits; and
- Other entity types as deemed appropriate by MAM

Typically, a \$3 million minimum is required to open an account.



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

### **Methods of Analysis**

MAM uses the following methods of analysis in managing clients' assets:

**Technical Analysis:** Analyzing historical data in order to recognize and understand patterns that may predict future price movement. However, technical analysis does not consider the underlying financial condition of a company. Therefore, any technical analysis performed would be done in tandem with other forms of analysis.

**Fundamental Analysis:** Measuring the value of a security by looking at macroeconomic factors and company-specific financial factors. Macroeconomic analysis will include trends and conditions of the overall economy, industry, and the company itself, to determine if the company is undervalued or overvalued. However, fundamental analysis does not endeavor to anticipate market movements, which could result in the price of a security moving up or down along with the overall market regardless of the specific factors considered in evaluating the security or its issuing entity.

**Asset Allocation:** In addition to the selection of specific industries, and companies within those industries, we endeavor to identify an appropriate ratio of security types suitable to each client's investment policy statement. Asset allocation helps with overall portfolio diversification but may result in a smaller potential return if one particular industry, sector, or security experiences a dramatic increase in yield.

There are many risks involved with each of the aforementioned types of analysis, some of which have already been listed. All our analysis is based on the assumption that our data used to analyze is accurate. A risk always exists that the effectiveness of our analysis may be reduced due to inaccurate or biased data. All investing includes a risk of loss that the client should be ready to bear.

### **Investment Strategies**

MAM portfolio managers may use any or all the following investment strategies in managing clients' assets. Any strategies used are appropriate to the needs of the client and consistent with the client's investment objectives:

**Buy and Hold to Maturity:** The majority of our discretionary accounts will employ this type of strategy at least to some degree. Under this strategy, we intend to take advantage of higher coupon rates on longer-term bonds relative to shorter-term bonds. The intent is to invest in securities and capture the coupon payments and any other income until they mature. A benefit of such a strategy is that the return on the portfolio is more predictable. A risk of this strategy is that by holding a security to maturity, potential gains could have been made had the security been sold prior to maturity.

**Roll-out Trades:** This strategy involves the purchase of a bond with the intention of selling it at a gain before it has matured, and replacing it with another bond, usually from the same issuer, to a later maturity date, thus capturing a capital gain, and replacing a short-duration bond with a longer-duration bond. Because MAM is not paid on a performance basis nor are commissions or extra fees charged on a transactional basis, there is no incentive to 'churn' the account. Risks with this strategy involve incurring a loss when the security is sold, or holding a security longer than originally intended because it cannot be sold without incurring a loss. This strategy also results in more frequent trading than with a buy and hold-to-maturity strategy, and because of the potential capital gains, a less favorable tax treatment.

**Laddered Portfolios:** Under this strategy, a portfolio will hold several securities that mature at regular intervals, for example, monthly. As one security matures, the proceeds from the maturity are used to purchase another

security at “the end of the ladder”, so in this example, one month longer than the longest existing security in the portfolio. The benefit of such a strategy is that the portfolio has regular natural maturities that can be used for the liquidity requirements of the client. This strategy is also a sub-strategy of the “Buy and Hold-to-Maturity” strategy. Risks of this strategy are that the liquidity requirements of the portfolio may not line up with the ‘regularly planned’ intervals of the ladder.

**Customized ‘Target Liquidity Date’ Portfolios:** Under this strategy, portfolio managers review the client’s target liquidity dates. These dates may include a target date for when a tax payment will come due, tuition, building construction projects, loan payments, etc. By communicating with the client and obtaining the correct information, the portfolio managers can structure a portfolio in a way that yield can be maximized because funds are being invested up until the point they are needed, and no un-needed liquidity will cause the yield of the portfolio to be less. The obvious risk of such a structure is that not enough “buffer” of liquidity is built into the portfolio and unforeseen liquidity needs will arise at some point, requiring one or more securities to be sold. Losses could be realized under such a scenario.

The main sources of information that MAM uses to analyze these investment strategies are:

- Financial newspapers and magazines
- Research materials prepared by others
- Corporate rating services
- Annual reports, prospectuses, filings with the SEC
- Company press releases

Investing in any securities transactions involves the risk of loss of your assets. You should consider this factor before making any investment decisions.

## **Item 9        Disciplinary Information**

There are no legal or disciplinary events to report in this item.

## **Item 10      Other Financial Industry Activities and Affiliations**

William R. Moreton is the President/Managing Member of Moreton Capital Markets, LLC, a related broker dealer under common ownership and control, as well as the President of Moreton & Co. an insurance broker, Town & Country Holding Co., a life insurance holding company and Hampton Soules, an insurance company. These activities combined are estimated to utilize approximately ninety (90%) percent of Mr. Moreton's time.

William R. Moreton is a broker/dealer agent with Moreton Capital Markets, LLC. This utilizes less than 10 hours per week in his capacities with Moreton Capital Markets, LLC.

Moreton Capital Markets, LLC, (MCM) is an affiliated broker/dealer and member of the Financial Industry Regulatory Authority (FINRA) and SIPC, as well as various state jurisdictions. MCM is a broker/dealer that trades equities and fixed income securities and shares commissions with other broker/dealers on accounts referred to them by MCM or its affiliates.

MAM does not refer clients to MCM, but MCM has commission sharing agreements with broker/dealers that can also be a RIA with whom MAM has referral agreements. In the event securities accounts are opened or securities transactions are placed by a clients' Investment Advisor Representative and MCM has a commission sharing agreement with that broker/dealer, MCM would receive a portion of the commission received by the broker/dealer, this commission sharing arrangement would not increase the amount of commission normally charged by the broker/dealer. This commission sharing arrangement would present a conflict of interest.

MAM does not sell securities to, nor buy securities from MCM.

In some instances, MCM and MAM have the same clients depending upon the type of services the client requires. In these instances, MAM receives advisory and/or referral fees in an account for advisory services and MCM receives security commissions for securities, mutual funds and variable contracts in a separate account. This also presents a conflict of interest.

William R. Moreton is the president of Moreton & Company, an insurance broker, through which commercial insurance products and employee benefit plans are offered. This activity utilizes the bulk of Mr. Moreton's time (over 30 hours per week).

Town & Country Life Insurance Co. is a related insurance carrier whose primary products are deferred annuities and group dental insurance, in business since 1955. William R. Moreton is the chairman and President of Town & Country Life. Town & Country is owned 100% by Town & Country Holding Co. This activity utilizes (2%) of Mr. Moreton's time.

Jason Williams, Andy Robbins and Jordan Hansen are owners/members of Cache Reserves, LLC

Cache Reserves, LLC is a property holding company, owned entirely by Jason Williams (1/3), Andy Robbins (1/3), and Jordan Hansen (1/3).

### **Our Asset Management Services**

Where appropriate, MAM and MAM affiliates refer clients among each other. These affiliates include: Cambridge Investment Research, Inc. (Cambridge) and Independent Financial Partners (IFP), registered Investment Advisory Companies (RIA), as well as Moreton & Company. The services provided by the affiliates are distinct from and complementary to our advisory services. MAM has a referral program for their affiliates whereby MAM will pay up to 50% of its annual fee revenue for the life of the account to an affiliate for the referral of a client. In many

instances, referrals will be made between affiliates and no commission or fee sharing will occur. The affiliates may choose to pass a portion of this referral fee to the referring officer.

**Conflicts of Interest:** Because of MAM associations and revenue sharing agreements, and because the managers and/or employees therein share compensation, clients should be aware that this creates a conflict of interest. Objectivity may be impaired by these individuals when making recommendations. MAM will always endeavor to put the client's interests first, and to adhere to its fiduciary duty as an investment adviser. In order to achieve this objective, MAM does the following:

- Employees must obtain prior approval of any outside business activity to assure any conflicts of interests can be addressed.
- MAM maintains and documents investment policy statements from clients for every account MAM manages. All investment policy statements describe client's financial goals, investment objectives, and risk tolerances.
- Regular reviews of all client accounts are performed to verify that the investment policy statement is up to date, discuss upcoming liquidity needs or cash flows, changes in investment objectives, etc. and to ensure that the account is being managed according to the client's overall objectives.

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

MAM has adopted a Code of Ethics (Code) for all its Associated Persons 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, 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. The Code sets forth responsibilities that each of the firm's associates must comply with. Included in the Code is:

- to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times
- to adhere to MAM Insider Trading and Personal Securities Transaction Policies and ethical standards
- to comply with all federal and state securities laws at all times
- understand the fiduciary *duty* to the client
- to adhere to the provisions relating to the confidentiality of client information

All Associated persons of MAM must acknowledge the terms of the Code of Ethics annually, or as amended. A copy of the Code will be made available to all prospective clients and clients upon request. Requests may be via phone (801-869-4200), email ([team@moretonadvisors.com](mailto:team@moretonadvisors.com)), or fax (801-869-4204).

To prevent conflicts of interest, all employees of MAM must comply with the firm's Compliance Manual (Policies and Procedures and Code of Ethics).

The Code of Ethics requires monthly reports on all personal securities transactions of all company associates, with the exception of transactions in investment company securities and/or other exempt transactions.

Information regarding investor orders must not be used in any way to influence trades in personal accounts or in the accounts of other clients, including those of other Employees. Trading ahead of a client's order is known as "front running" and is prohibited. Following a client's order with Employee trading activity is known as "piggybacking" or "shadowing" and is likewise prohibited. Six-month short-swing transactions (e.g., a sale and a purchase, or a purchase and a sale, occurring within a six-month period) are also prohibited.

MAM has strict reporting requirements for trade transactions placed by the associates of the company. Trade blotters of all customer trades are created and then checked against the brokerage statements received by the company from the associate's broker/dealer to ensure that there are no conflicts of interest where customer transactions are concerned. Associated persons of the firm are not allowed to actively trade in securities that may be recommended to clients.

Further, such Code of Ethics imposes certain policies and procedures concerning the misuse of material non-public information that is designed to prevent insider trading by any officer, partner, or associated person of MAM.

## **Item 12      Brokerage Practices**

### **Our Referral Services**

MAM, when referring clients, does not recommend broker/dealers to clients. The ultimate decision to recommend or require a certain broker/dealer is typically made by the Advisor Representative of the referred investment adviser, however, it is the clients decision as to what broker/dealer trade transactions will be placed through.

William Moreton shares commissions with other broker-dealers on accounts that were referred to those other broker-dealers or registered investment advisers by Moreton Capital Markets, LLC. As a licensed broker-dealer agent, William Moreton also receives commissions through the sale of insurance products (sold through MCM or Moreton & Company). Jason Williams, Andy Robbins, and Jordan Hansen do not receive compensation (commissions) from securities transactions.

MAM is affiliated with Moreton Capital Markets, LLC, (MCM) a FINRA Member broker/dealer. MCM shares commissions with other FINRA member broker/dealers for clients referred to them by MCM.

Conflicts of interest could exist if the Investment Advisory Firm that MAM refers you to, is a FINRA member broker/dealer. If there are securities transactions in an account with a broker/dealer that MCM has a commission sharing agreement with, MCM could share a percentage of the commissions charged by that broker/dealer. This would be considered a conflict of interest.

### **Our Asset Management Services**

MAM recommends broker/dealers to their asset management clients. The ultimate decision regarding which broker/dealer to use for individual trades is made by MAM. Portfolio Managers always try to select the brokers or dealers, which will provide the best services at the best rates. They consider pricing, reliability, inventory, and history with the broker and broker representative in their decisions. If dictated by a client's investment policy statement (IPS) or by a regulatory body's requirements, MAM will use only those broker dealers that are allowed on the IPS or the regulatory body's list of Certified Dealers.

MAM has arrangements with Principal Financial, and with US Bank through which Principal Financial and US Bank provide MAM with their platform services. These services include custody and safekeeping of Client assets, brokerage, trading, and administrative services. The fees and costs associated with using Principal Financial or US Bank for these services are not passed through to the customer. Clients will not pay any additional fees to those outlined in Item 5. However, if a client selects a different bank for custody and safekeeping, they will be expected to pay those costs directly to that custodian.

There is no referral agreement between MAM and Principal Financial or between MAM and US Bank and there are no commissions sharing agreements between MAM and any other broker/dealer that MAM uses for their asset management services.

MAM will endeavor to ensure that no client or account will be favored over another.

Neither MAM nor its associates receive compensation (commissions) from securities transactions.

MAM is affiliated with Moreton Capital Markets, LLC, (MCM) a FINRA Member broker/dealer. MCM does not have referral agreements with broker-dealers used by MAM for their asset management services.

Conflicts of interest could exist if the Investment Advisory Firm that MAM refers you to is a FINRA member broker/dealer. If there are securities transactions in a brokerage account with a broker/dealer that MCM has a commission sharing agreement with, MCM could share a percentage of the commissions charged by that broker/dealer. Additionally, MAM employees who are also employees of MCM receive commissions from MCM in their capacity as employees of MCM. William Moreton is an owner and employee of MCM.

There is no referral agreement between MCM and Principal Financial or between MCM and US Bank and there are no commissions sharing agreements between MCM and any other broker/dealer that MAM uses for their asset management services.

MAM uses several different broker-dealers for securities transactions. Some of these broker-dealers provide soft-dollar benefits to MAM in the form of research. No client brokerage commissions (markups or markdowns) are generated by MAM as a result of trades directed to such broker-dealers. The research benefits MAM receives from broker-dealers is a benefit MAM derives simply by being a customer of such broker-dealers. There are no quotas or targets MAM is required to meet in order to qualify to receive any research or other soft dollar benefits. The pricing of transactions is not affected as a result of this arrangement. MAM portfolio managers consider pricing, reliability, inventory, and history with the broker and broker representative in their decisions to buy from and sell to brokers.

MAM is authorized in its discretion (but is not obligated) to aggregate, batch or combine purchases and sales and other transactions made for the Account with purchases and sales and other transactions in the same or similar securities or instruments for other clients of MAM. MAM will endeavor to process all Account transactions in a timely manner, but MAM neither represents nor warrants that any such transaction will be processed or effected by the qualified custodian or broker-dealer on the same day as requested.



### **Item 13      Review of Accounts**

Reviews may be triggered by material changes in variables such as your individual circumstances or the market economic or political environment.

Accounts are reviewed by at least one of the MAM portfolio annually, but are monitored continually for suitability. The annual reviews compare your portfolio holdings and the portfolio as a whole to your investment policy statement and to your stated liquidity requirements, risk tolerance, and other circumstances. Accounts will also be monitored, and reviewed in the context of the market and economy.

Monthly statements will be provided to clients via an online system with a login ID and password. Additionally, statements will be provided to clients by the qualified Custodian at least quarterly. Please refer to Item 15 for more information.

## **Item 14      Client Referrals and Other Compensation**

### **Our Referral Services**

MAM shares a percentage of investment advisory fees for the referral of clients to other investment advisory companies.

Because of potential conflicts of interest, all referral fees are paid in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any applicable state securities law requirements. Additionally, all referral fees will be paid entirely from the investment management fee MAM collects from clients. No additional charges from those described in Item 5 will be made to clients.

MAM receives economic benefit in the form of commissions for insurance products from the carrier. Clients are not obligated to use any recommended insurance company, agency or broker, this creates a conflict of interest.

MAM does not receive products or services (known as soft dollar benefits) from its referral services.

MAM is not securities licensed and does not share in compensation (commissions) generated from security related transactions.

From time to time, MAM compensates parties for the referral of clients for insurance, business consulting, business succession plans, and executive compensation. This compensation is only made if the referrer is dually licensed for that product. All referral arrangements are negotiable on a case-by-case basis.

### **Our Asset Management Services**

MAM pays referral fees to and receives referral fees from its affiliated companies and/or other third-party companies for referring clients. This creates a conflict of interest.

MAM receives soft-dollar benefits from broker-dealers in the form of research. These soft-dollar benefits are described in Item 12.

MAM is not securities licensed and does not share in compensation (commissions) generated from security related transactions.

All referred clients will be informed of the services MAM provides and the fees charged to determine if a MAM account is suitable to their objectives and needs. Solicitor disclosures for referrals will be delivered to clients and documented prior to clients entering into an Account agreement with MAM.

Currently, all MAM referrals are made from affiliated entities.

## **Item 15      Custody**

MAM does not maintain custody of client assets, however, MAM may choose a custodian for the assets in your account. MAM has custodial arrangements with Principal Financial and US Bank.

Clients will receive quarterly reports from the custodian of their account detailing the individual assets and all activity in the account, unless client requests a more frequent statement.

In addition to the statements provided by the custodian, monthly reports will be provided to you from MAM via an online system. The statements will typically be available to download by the second or third business day of the month. Clients will also have the ability, via a login and password, to view activity in their account at any time during the month.

You should carefully review each of the statements you receive to ensure that all the activity in the account is accurate.

If there is ever a discrepancy between the online statement MAM provides, and the statement the custodian provides, the custodial statement will serve as the official statement.

## **Item 16      Investment Discretion**

Discretionary and Non-discretionary accounts are offered through MAM. In discretionary accounts, MAM makes investment decisions in client accounts without contacting you prior to trading activity. Prior to assuming full discretion in managing a Client's assets, MAM enters into an Account agreement that sets forth the scope of the Adviser's discretion, and MAM is still responsible to ensure that all trades are within the parameters spelled out in your Investment Policy Statement.

In all cases, discretion is to be exercised in a manner consistent with the stated investment objectives for the particular account, as directed in the Account Agreement and Investment Policy Statement. Thus, when selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the clients for which we advise. Additionally, in many cases, the discretion is subject to mutually agreed upon investment guidelines relative to the client's portfolio.

Additionally, we maintain a Limited Power of Attorney for all our discretionary accounts for the purpose of directing and or effecting investments, for the direct payment of fees, custodial fees and/or other charges incurred by the managed account.

In non-discretionary accounts, you are consulted prior to any trading activity, and your authorization must be granted before any of the following activities can occur:

- the actual security to buy or sell;
- the dollar amount or shares to be purchased or sold.

## **Item 17      Voting Client Securities**

As a rule, MAM votes proxies for all client accounts. Voting is done in the best interest of MAM's asset management clients as well as in accordance with MAM policies and procedures. Clients that prefer to vote their own proxies, may do so with a written request to MAM.

MAM will always vote proxies in the best interest of its clients. We will retain all proxy voting books and records. This includes a record of all votes cast, proxy statements received, any material that was used in the making of the decision of how to vote proxies, and copies of client written requests advising us on how to vote proxies. If a conflict of interest in voting an action arises, MAM will contact the client and notify them of the conflict. In such instances, the services of an independent third party will be enlisted to vote.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how MAM voted a Client's proxies by contacting our offices by telephone at 801-869-4200 or by e-mail at [Team@MoretonAdvisors.com](mailto:Team@MoretonAdvisors.com).

## **Item 18      Financial Information**

We do not require or solicit prepayment of more than \$500 in fees per client and six months or more in advance, and do not have any material additional financial disclosures.