

## Brochure of

# REGIS MANAGEMENT

A MERCER ADVISORS COMPANY

1200 17<sup>th</sup> Street Ste 500  
Denver, CO 80202

March 28, 2024

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### Item 1. Cover Page

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This brochure provides information about the qualifications and business practices of Regis Acquisition Inc. (“Regis”) doing business as Regis Management, A Mercer Advisors Company. If you have any questions about the contents of this brochure, please contact us at (720) 551-5457- or [CCO@merceraadvisors.com](mailto:CCO@merceraadvisors.com). 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.

Additional information about Regis is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). References herein to Regis Acquisition Inc., Regis Management as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Use of the term “Regis” in this document refers to both the legal entity of Regis Acquisition Inc. doing business under the name of Regis Management, A Mercer Advisors Company.

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## Item 2. Material Changes

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Since the annual amendment of Form ADV Part 2A filing on October 5, 2023, there have been no material updates to this brochure.

**ANY QUESTIONS:** Regis' Chief Compliance Officer, Kimberly Lorenz, remains available to address any questions pertaining to this Brochure.

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## Item 4. Advisory Business

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Regis Acquisition Inc. is a Delaware corporation in business since November 2022. Regis is a private company that is owned (indirectly through parent companies) by employees, as well as outside investors. As of December 31, 2023, Regis had total discretionary assets under management of approximately \$2,868,918,920. Regis typically manages assets on a discretionary basis. Regis also provides asset allocation advisory services to those clients seeking advice only for portfolio allocations. Regis provides investment advisory services specific to the needs of each client. Before providing investment advisory services, a member of Regis will ascertain each client's investment objectives. Thereafter, Regis will recommend that the client allocate investment assets consistent with the designated investment objectives. Regis primarily recommends that clients allocate investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds ("ETFs") and private investment funds in accordance with the client's designated investment objective(s). Once allocated, Regis provides ongoing monitoring and review of account performance, asset allocation and client investment objectives.

Regis' annual investment advisory fee shall generally (exceptions can occur-*see below*) include investment advisory services, and, to the extent specifically requested by the client, financial planning, and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Regis), Regis may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

### **Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.**

To the extent requested by the client, Regis will generally provide financial planning and related consulting services regarding matters such as tax and estate planning, insurance, etc. Regis will generally provide such consulting services inclusive of its advisory fee set forth at Item 5 below (exceptions could occur based upon assets under management, extraordinary matters, special projects, stand-alone planning engagements, etc. for which Firm may charge a separate or additional fee). **Please Note.** Regis believes that it is important for the client to address financial planning issues on an ongoing basis. Regis's advisory fee, as set forth at Item 5 below, will remain the same regardless of whether or not the client determines to address financial planning issues with Regis. **Please Also Note:** Regis **does not** serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, Regis **does not** prepare legal documents, prepare tax returns, or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e., attorneys, accountants, insurance, etc.). The client is not under any obligation to engage any such professional(s). The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Regis and/or its representatives. If the client engages any professional (i.e., attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e., attorney, accountant, insurance agent, etc.), and **not** Regis, shall be responsible for the quality and competency of the services provided.

**Use of Mutual and Exchange Traded Funds.** Most mutual funds and exchange traded funds are

available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by Regis independent of engaging Regis as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Regis' initial and ongoing investment advisory services. In addition to Regis' investment advisory fee described below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g., management fees and other fund expenses).

**Independent Managers.** Regis may recommend that the client allocate a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) will have day-to-day responsibility for the active discretionary management of the allocated assets. Regis will continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation, and client investment objectives. Regis generally considers the following factors when recommending Independent Manager(s): the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated Independent Manager(s) are exclusive of, and in addition to, Regis' ongoing investment advisory fee, subject to the terms and conditions of a separate agreement between the client and the Independent Manager(s). Regis' advisory fee is set forth in the fee schedule at Item 5 below.

Regis manages separately managed accounts ("Separate Accounts") for clients that pursue Regis' global, diversified asset allocation models.

**Other Assets.** To the extent that Regis provides advisory monitoring or review services for client investment assets for which Regis does not maintain custodian access or trading authority ((including initial and ongoing consideration of such assets as part of the client's asset allocation), Regis may determine to include such assets in its advisory fee calculation per Item 5 below.

**Affiliated Private Investment Funds.** As disclosed below, Regis, recommends that certain qualified clients consider an investment in private investment funds. In addition to unaffiliated private investment funds, Regis can also recommend that a client consider an investment in private investment funds formed and managed by entities affiliated with Regis. As disclosed below, private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which (including a discussion of fees payable by the Regis client to the affiliated fund) is set forth in each fund's offering documents, which will be provided to each client for review and consideration, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Conflicts of Interests.** Because of the affiliation, the recommendation that a client consider an investment in an affiliated private investment fund presents a conflict of interest (i.e., the Regis affiliates shall earn fund-related compensation and fees payable by the Regis client). In addition to payment of the affiliated fund's compensation and fees, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Regis calculating its investment advisory fee. Regis' advisory fee shall be in addition to the affiliated fund's compensation and fees payable by the Regis client. In addition, because Regis and its affiliates

can earn combined compensation from an affiliated fund investment (i.e., Regis' investment advisory fees plus the affiliated fund's compensation and fees) that could generally exceed the fee that Regis would earn under its standard asset-based fee schedule referenced in Item 5 of its Brochure as set forth on Part 2A of Form ADV, Regis' recommendation that a client become an affiliated fund investor presents an additional conflict of interest.

**Please Note:** As disclosed below, Regis' clients are under absolutely no obligation to consider or make an investment in any private investment fund(s), including an affiliated private investment fund. Given the conflicts of interest, Regis' clients should consider seeking advice from independent professionals (i.e., attorney, accountant, adviser, etc.) of their choosing prior to becoming an affiliated fund investor.

**Private Investment Funds.** Registrant also provides investment advice regarding private investment funds (affiliated and unaffiliated). Registrant may recommend that certain qualified clients consider an investment in private investment funds, the description of which (the terms, conditions, risks, conflicts and fees, including incentive compensation) is set forth in the fund's offering documents. Registrant's role relative to unaffiliated private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become an unaffiliated private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Registrant calculating its investment advisory fee. Registrant's fee shall be in addition to the fund's fees. **Registrant's clients are under absolutely no obligation to consider or make an investment in any private investment fund(s).**

**Please Note:** Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that the client is qualified for investment in the fund and acknowledges and accepts the various risk factors that are associated with such an investment.

**Please Also Note: Valuation.** In the event that Registrant references private investment funds owned by the client on any supplemental account reports prepared by Registrant, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. However, if subsequent to purchase, the fund has not provided an updated valuation, the valuation shall reflect the initial purchase price. If subsequent to purchase, the fund provides an updated valuation, then the statement will reflect that updated value. The updated value will continue to be reflected on the report until the fund provides a further updated value. **Please Also Note:** As result of the valuation process, if the valuation reflects initial purchase price or an updated value subsequent to purchase price, the current value(s) of an investor's fund holding(s) could be significantly more or less than the value reflected on the report. Unless otherwise indicated, Registrant shall calculate its fee based upon the latest value provided by the fund sponsor.

**Custodian Charges-Additional Fees.** As discussed below at Item 12, when requested to

recommend a broker-dealer/custodian for client accounts, Regis generally recommends that Charles Schwab and Co. (“Schwab”) or Fidelity Brokerage Services LLC and National Financial Services, LLC (collectively “Fidelity”), serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab and Fidelity charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees, commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian (while certain custodians, including Schwab and Fidelity, generally do not currently charge fees on individual equity transactions, others do. Please refer to your custodial agreement for specific information on the custodian’s fees, including Schwab and Fidelity). These fees/charges are in addition to Regis’ investment advisory fee at Item 5 below. Regis does not receive any portion of these fees/charges. ANY QUESTIONS: Regis’ Chief Compliance Officer, Kim Lorenz, remains available to address any questions that a client or prospective client may have regarding the above.

**Portfolio Activity.** Regis has a fiduciary duty to provide services consistent with the client’s best interest. As part of its investment advisory services, Regis will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client’s investment objective. Based upon these factors, there may be extended periods of time when Regis determines that changes to a client’s portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

**Cash Positions.** Depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Regis may maintain cash and cash equivalent positions (such as money market funds) for defensive and liquidity purposes. Unless otherwise agreed in writing, such cash positions are included as part of assets under management for purposes of calculating the Regis’s advisory fee.

**Client Obligations.** In performing its services, Regis shall not be required to verify any information received from the client or from the client’s other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Regis if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Regis’s previous recommendations and/or services.

**Disclosure Statement.** A copy of Regis’ written Brochure and CRS, as set forth on Parts 2 and 3 of Form ADV, respectively, shall be provided to each client prior to the execution of any new advisory agreement.

To tailor its services to the individual needs of each Separate Account, Regis:

- Manages each such account based on the client’s financial situation and investment objectives and in accordance with any restrictions that the client imposes on managing the account. Regis obtains this information from a client in a questionnaire or otherwise.

- At least annually, contacts each client (either in person or by telephone) to ask about any changes in the client's financial situation or investment objectives and whether the client desires to impose or modify any restrictions on managing the account.
- Regis makes itself reasonably available to clients for consultation.

Regis does not participate in any wrap fee programs.

#### **Sub-Advisory/Referral Arrangement with affiliate, Mercer Global Advisors Inc. ("Mercer Advisors")**

- **Sub-Advisory:** Regis has been engaged by its affiliated SEC registered investment adviser, Mercer Advisors ("Mercer") to assist Mercer with the management of its client accounts per the terms and conditions of a written Sub-Advisory Agreement. Mercer shall maintain both the initial and ongoing day-to-day relationship with the underlying client, including initial and ongoing determination of client suitability for the corresponding investment strategies. As part of its sub-advisory services, Regis shall assist Mercer with due diligence, monitoring, and reporting services pertaining to unaffiliated private investment funds that Mercer Advisors may introduce to certain of its clients (see below) and/or existing private investment funds owned by the Mercer client for which the client desires to receive Regis' sub-advisory services. Mercer Advisors engagement of Regis for sub-advisory services shall not result in the Mercer client paying an additional fee. Rather, Mercer shall compensate Regis with a portion of the investment advisory fee that Mercer receives from its clients. Mercer Advisors shall provide its affected clients with a copy of Regis's written disclosure Brochure as set forth on Part 2A of Form ADV; and
- **Referral Arrangement:** In addition to the sub-advisory arrangement, Mercer Advisors and Regis could introduce clients to the other in return for referral compensation. Such referral arrangement shall not result in the client paying an additional fee. Rather, the referred-to adviser entity shall compensate the introducing adviser with a portion of the investment advisory fee that the referred-to adviser receives from the introduced client. See disclosure pertaining to referral arrangement at Item 14 below.

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## **Item 5. Fees and Compensation**

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### **Separately Managed Account Fees and Termination**

Regis' compensation for Separate Accounts is negotiable and varies, but typically Regis charges an asset-based fee per the following schedule with a targeted minimum \$150,000 annual fee:

<b>Fee Percentage</b>	<b>Beginning Assets Under Management ("AUM") Tier Level</b>	<b>Ending AUM Tier Level</b>
<b>0.60%</b>	\$0	\$25,000,000
<b>0.50%</b>	\$25,000,001	\$50,000,000

<b>0.25%</b>	\$50,000,001	\$100,000,000
<b>0.20%</b>	\$100,000,001	\$500,000,000
<b>Negotiable</b>	Above \$500,000,000	

## Fees Generally

- A. Regis typically deducts management fees and performance allocations directly from Clients but may bill a client for such amounts on request. Both Regis' Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Regis investment advisory fee and to directly remit that advisory fee to Regis in compliance with regulatory procedures.
- B. Management fees are generally determined on a quarterly basis and charged in advance of the quarter. In the event a Separate Account terminates their advisory agreement with Regis, management fees will be refunded / adjusted pro rata according to the period from the start of the current calendar quarter through the termination date specified by the Client.

Separate Accounts that invest in mutual funds also pay, indirectly, investment advisory fees to the managers of those funds.

Regis believes that its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees. Each Client is responsible for its own costs and expenses, including trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges), ongoing legal, tax, audit, and bookkeeping fees and expenses, and the fees and expenses charged by any fund administrator for its accounting, bookkeeping and other services. Regis bears its own operating, general, administrative, and overhead costs and expenses, other than the expenses described above.

All or part of these costs and expenses may be paid, however, by securities brokerage firms that execute clients' securities trades, as discussed in Item 12 below.

**Margin Accounts: Risks.** Regis **does not** recommend the use of margin for investment purposes. A *margin account* is a brokerage account that allows investors to borrow money to buy securities and/or for other non-investment borrowing purposes. The broker/custodian charges the investor interest for the right to borrow money and uses the securities as collateral. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. **Please Note:** The use of margin can cause significant adverse financial consequences in the event of a market correction.

**Referral Arrangement:** Regis and its affiliated SEC registered investment advisor, Mercer Advisors, could introduce clients to the other in return for referral compensation. Such referral arrangement shall not result in the client paying an additional fee. Rather, the referred-to adviser entity shall compensate the introducing adviser with a portion of the investment advisory fee that the referred-to adviser receives from the introduced client. See disclosure pertaining to referral arrangement at Item 14 below.

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

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To that extent that Regis enters into performance-based compensation arrangements with individual clients who qualify under Rule 205-3 of the Investment Advisers Act of 1940 (i.e., a client who has at least \$1.1 million in portfolio assets managed by Regis, or who together with their spouse have a net worth of at least \$2.2 million, excluding their principal residence), such clients are advised that performance based fees involve a sharing of any portfolio gains between the client and the investment manager. Such performance-based fees create an economic incentive for Regis to take additional risks in the management of a client portfolio that may be in conflict with the client's current investment objectives and tolerance for risk. **Please Also Note: Conflict Of Interest.** Because performance fee (incentive) arrangements permit Regis and/or its affiliates to earn compensation in excess of its standard asset-based fee schedule referenced in Item 5 above, the recommendation that a client enter into a performance fee arrangement presents a **conflict of interest**. No client is under any obligation to enter into a performance fee arrangement.

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## Item 7. Types of Clients

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Regis provides investment advice to Separate Accounts.

Regis generally requires a minimum of \$25,000,000 to open a Separate Account but may waive this minimum. Regis' Separate Accounts may include high-net-worth individuals, institutions, foundations, trusts, endowments, and pension plans.

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

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### Investment Strategy

#### Separate Accounts

The primary investment objective of the Separate Accounts is long-term capital appreciation. Regis seeks to achieve this goal by constructing globally diversified multi-asset portfolios.

Regis believes that superior risk adjusted returns can be achieved by the proper combination of strategic asset allocation, portfolio management, and Security selection. This strategy requires both "top down" macroeconomic analysis as well as a "bottoms up" fundamental evaluation of asset class valuations, economic growth rates, industry themes and company-specific issues.

Regis believes that asset allocation is an important determinant of long-term investment success. Through the combination of quantitative analysis and seasoned judgment, Regis seeks to overweight asset classes it views as undervalued relative to history, other asset classes and intrinsic value. Regis will seek to underweight asset classes that it believes are overvalued relative to those criteria and therefore offer low prospective returns. In determining the target asset allocation, Regis

starts with the belief that a portfolio comprised principally of equities produces the highest long-term returns.

Regis has developed a relative valuation framework that shapes its views on prospective asset class risk and return. This model evaluates a variety of macroeconomic and microeconomic factors but is principally informed by the historic relationship between interest rates, corporate earnings margins, and gross domestic product (“GDP”) growth. Regis evaluates these data to determine optimal allocation levels given a desired portfolio risk and return objective.

Regis may periodically use scenario analysis to test the impact of various economic and market scenarios on the portfolio. These simulations, while a tool, illustrate the potential trade-offs between different asset allocation models and may result in adjustments to the asset allocation. At the margin, asset allocation may also be influenced by long-term trends that Regis believes will have a major impact on the upcoming investment climate and therefore returns.

Regis believes that disciplined portfolio management represents an opportunity to generate incremental excess return. Regis has developed a set of tools designed to actively manage risk and portfolio turnover. Generally, the entire portfolio and the underlying allocations are continually monitored.

Within each asset class, Regis has the flexibility to invest in passive strategies, such as index funds; active strategies, such as actively managed mutual funds and third party-managed separate accounts; or direct public and private investments. Regis typically favors baskets of ETFs, separate accounts and low-cost mutual funds as the preferred vehicles for gaining exposure to the different asset classes. Regis invests in individual securities where it believes a superior risk-adjusted return opportunity exists or where the absence of a liquid, low-cost alternative prohibits Regis from attaining a desired objective.

## General

The investment strategies summarized above represent Regis’ current intentions, are general in nature and are not exhaustive. There are no limits on the types of securities in which Regis may take positions on behalf of its clients, the types of positions that it may take, the concentration of its investments or the amount of leverage that it may use. Regis may use any trading or investment techniques, whether or not contemplated by the expected investment strategies described above. In addition, there are limitations in describing any investment strategy due to its complexity, confidentiality, and indefinite nature. Depending on conditions and trends in securities and commodities markets and the economy generally, Regis may pursue any objectives or use any techniques that it considers appropriate and in a client’s interest.

## Risk Factors

Investing in securities involves risk of loss that Clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any account that Regis manages. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account and could cause investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that a client or an investor may encounter. Potential investors in a fund should review such fund’s offering circular carefully and, in its entirety, and consult with their professional advisers before deciding whether to invest. The risks described below also generally apply to individually managed accounts. A potential client

should discuss with Regis' representatives any questions that such person may have before opening an account.

## General Risks Applicable to Regis Accounts

- Client accounts may not achieve their investment objectives. A strategy may not be successful, and investors may lose some or all of their investment.
- Regis may engage in hedging, which may reduce profits, increase expenses, and cause losses. Price movement in a hedging instrument and the instrument hedged do not always correlate, resulting in losses on both the hedged instrument and the hedging instrument. Regis is not obligated to hedge a client's portfolio positions, and it frequently may not do so.
- Counterparties such as brokers, dealers, custodians, and administrators with which Regis does business on behalf of Clients may default on their obligations. For example, a client may lose its assets on deposit with a broker if the broker, its clearing broker, or an exchange clearing house becomes bankrupt.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to inflation and other negative consequences to investors.
- Some of an account's positions may be or become illiquid, in which case Regis may not be able to sell or cover such positions.
- An account may invest in restricted securities that are subject to long holding periods or that are not traded in public markets. These securities are difficult or impossible to sell at prices comparable to the market prices of similar publicly traded securities and may never become publicly traded.
- An account's investments may not be diversified. Therefore, a loss in any one position, industry, or sector in which a fund has invested may cause significant losses.
- Regis determines the value of securities and commodities held in Client accounts, whether or not a public market exists for such instruments. If Regis' valuation is inaccurate, it might receive more compensation than that to which it is entitled, a new investor in a fund might receive an interest that is worth less than the investor paid and an investor that is withdrawing assets might receive more than the amount to which the investor is entitled, to the detriment of other investors.
- Regis and its affiliates and agents generally are not responsible to any Client or investor for losses incurred in an account unless the conduct resulting in such loss breached Regis' fiduciary duty to the Client or investor.
- There is not and will not be an active market for fund interests. It may be impossible to

transfer any such interests, even in an emergency.

- A fund may not be able to generate cash necessary to satisfy investor withdrawals, if permitted, or to provide for distributions. Substantial withdrawals, if permitted, in a short period could require liquidation of investments too rapidly and may so reduce the size of a fund that it cannot generate returns or reduce losses.
- A fund may limit or suspend withdrawals of an investor's assets from the fund.
- A fund may establish a reserve for contingencies. Investors may not withdraw or redeem assets covered by that reserve until it is lifted.
- If the assets that Regis and its affiliates manage grow too large, it may adversely affect performance, because it is more difficult for Regis to find attractive investments as the amount of assets that it must invest increases.
- The attorneys who represent Regis or its manager do not represent Clients or investors. Clients and investors must hire their own counsel for legal advice and representation.
- A fund may dissolve or expel any investor at any time, even if such actions adversely affect one or more investors.
- Regis, an administrator, or any government agency may freeze assets that any of them believes a client holds in violation of anti-money laundering laws or rules or on behalf of a suspected terrorist and may transfer such assets to a government agency. None of Regis, a fund or an administrator will be liable for losses related to actions taken in an effort to comply with anti-money laundering regulations.
- Federal, state, and international governments may increase regulation of investment advisers, private investment funds and derivative securities, which may increase the time and resources that Regis must devote to regulatory compliance, to the detriment of investment activities.
- Regis is not registered with the SEC as a broker-dealer or with the Commodity Futures Trading Commission as a commodity pool operator. The equity interests in the funds are not registered under the Securities Act of 1933, and the funds are not registered investment companies under the Investment Company Act of 1940. Regis believes that none of these registrations is required because exemptions are available under applicable law. If a regulatory authority deems that any of these registrations is required, Regis and any fund could be subject to expensive legal action and potential termination. In addition, investors in the funds do not have certain regulatory protection that they would have if these registrations were in place.
- Regis' activities could cause adverse tax consequences to Clients and investors, including liability for interest and penalties.
- Regis' activities may cause an account that is subject to the Employee Retirement Income Security Act of 1974 to engage in a prohibited transaction under that Act.

- If a fund becomes insolvent, investors may be required to return with interest any distributions and forfeit any undistributed profits.
- Regis and its affiliates may spend time on activities that compete with a fund without accountability to investors, including investing for other Clients and their own accounts.
- Regis may provide certain investors or Clients more frequent or detailed reports, special compensation arrangements and withdrawal rights that it does not provide to other investors or Clients.

### Risks Specific to Investors in the Separate Accounts

- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline and may short stocks that beat earnings expectations and rise.
- Regis may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. Regis also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a client when the Client could make a profit or avoid losses.
- Regis may take positions in securities of small, unseasoned companies that are less actively traded and more volatile than those of larger companies.
- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- Regis sells securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- Management and stockholders of an issuer may sue short sellers to prevent short sales of the issuer's securities. Regis could be subject to such actions, even if they are baseless, and Clients could incur substantial costs defending them.
- Regis may use leverage by borrowing on margin, selling securities short and trading derivatives, which increases volatility and risk of loss. These instruments can be difficult to value. An incorrect valuation could result in losses.
- Regis may sell covered and uncovered options on securities. The sale of uncovered options could result in unlimited losses.
- Regis may cause a client to enter into repurchase agreements or reverse repurchase agreements. These instruments can have effects similar to margin trading and leveraging strategies.

- Regis may cause Clients to invest in securities of non-U.S., private and government issuers. The risks of these investments include political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Regis may acquire for a client a large position in an issuer's securities, but the Client nevertheless is unlikely to have any control over the issuer's management. In addition, if Regis holds a large position in an issuer's securities, it could depress the market for those securities.

### Socially Responsible Investing

Socially Responsible Investing involves the incorporation of Environmental, Social and Governance ("ESG") considerations into the investment due diligence process. ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that maintain an acceptable ESG mandate can be limited when compared to those that do not and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange-traded funds are limited when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Registrant), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful.

Past performance is not a guarantee of future returns. Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Regis will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a client will meet their investment goals. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear.

- **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:** The price of a security, bond, or mutual fund can drop in reaction to tangible and/or intangible events and/or conditions. This type of risk is caused by external factors, independent of a security's unique underlying circumstance(s). For example, political, economic, and/or social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation exists, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at a rate of inflation.
- **Currency Risk:** International investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Credit Risk:** The risk of loss caused by a counterparty's or debtor's failure to make a timely payment, or by the change in value of a financial instrument based upon changes in default risk.

- **Reinvestment Risk:** The risk that future proceeds from investments require reinvestment at a potentially lower rate or return (i.e., interest rate). This relates primarily to fixed income securities.
- **Business Risk:** The risk associated with a particular industry or company within an industry. For example, oil-drilling companies must find oil and then refine it- a lengthy process- before they are able to generate a profit. As such they carry a higher risk of profitability than does an electric company, which generates its income from a steady stream of customers who purchase electricity regardless of the economic environment.
- **Liquidity Risk:** Liquidity is the ability to convert an investment readily into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid whereas real estate property is not.
- **Financial Risk:** Excessive borrowing to finance business operations increases a company's risk of profitability, as the company must meet the terms of its obligations in both good times and bad. During periods of financial stress, the inability to meet loan obligations can result in bankruptcy and/or a declining market value.

### Risk of Factor Investing

Funds that concentrate investments in specific industries, sectors, markets, or asset classes may underperform or be more volatile than other industries, sectors, markets or asset classes and the general securities market. There can be no assurance that performance will be enhanced, or risk will be reduced for funds that seek to provide exposure to certain quantitative investment characteristics ("factors"). Exposure to such investment factors may detract from performance in some market environments, perhaps for extended periods. In such circumstances, a fund may seek to maintain exposure to the targeted investment factors and not adjust to target different factors, which could result in losses.

There is no guarantee that low-volatility stocks will provide low volatility. Investing in securities of small capitalization companies involves greater risk than customarily associated with investing in larger, more established companies. A value style of investing is subject to the risk that the valuations never improve or that the returns will trail other styles of investing or the overall stock markets. Momentum style of investing is subject to the risk that the securities are more volatile than the market as a whole or returns on securities that have previously exhibited price momentum are less than returns on other styles of investing.

### Risk of Separate Account Managers

Regis is responsible for sourcing, conducting due diligence, approving, and monitoring all Separate Account strategies recommended for use by clients. The firm's due diligence utilizes commercially available databases and evaluative tools to screen, track, and assess the universe of investment managers (e.g., mutual funds, ETFs, separately managed account managers referred to herein as "Separate Account Managers"). Regis conducts due diligence on Separate Account Managers who have demonstrated a high degree of expertise at implementing a particular investment strategy or strategies.

To identify Separate Account Managers to manage portions of client assets, either directly or through investments in public or private funds, Regis utilizes a rigorous screening process, evaluating a range of quantitative factors based upon the Separate Account Manager's (i)

historical performance, (ii) risk-return profile, (iii) consistency of returns, (iv) downside risk, (v) use of leverage, and (vi) market/peer group correlation. Regis also considers qualitative factors, which include (i) the experience and integrity of the manager's management team, (ii) the soundness and capacity of the investment strategy employed by the manager, (iii) the manager's risk management strategies, and (iv) the quality of the manager's infrastructure.

The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, Registrant's investment advisory fee disclosed at Item 5.

## Risk of Specific Securities Utilized

Regis generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, the firm can utilize short sales, margin transactions, and options writing. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

- **Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above.)
- **Equity** investment generally refers to buying shares of stocks by an individual or firm in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock of it decreasing in value and the investment will incur a loss.
  - **Treasury Inflation Protected/Inflation Linked Bonds:** The risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.
  - **Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.
  - **Debt securities** carry risk such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.
  - **Stocks and Exchange-Traded Funds (ETFs):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy.)
  - **Annuities:** An annuity is a contract between the client and an insurance company that is designed to meet retirement and other long-range goals. Annuities can be fixed, variable or indexed each carrying their own risk including liquidity, market, and interest rate risk. There are additional fees assessed by the insurance carrier. It is critical that investors are aware of the terms and read the prospectus for the product before purchasing an annuity.
  - **Real estate funds face several kinds of risk that are inherent in this sector of the market.** Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of

appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

- **Hedge funds** are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market.
- **Real Estate Investment Trusts (REITs)** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.
- **Alternative Investments** carry a substantial risk as they are largely unregulated offerings not subject to securities laws.
- **Precious Metal ETFs (Gold, Silver, and Palladium Bullion backed “electronic shares” not physical metal):** Investing in precious metal ETFs carries risk of capital loss.
- **Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose client to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk and political/regulatory risk.
- **Short term trading** risks include liquidity, economic stability, and inflation.
- **Short sales risk** includes the upward trend of the market and infinite possibility of loss.
- **Margin transactions** use leverage that is borrowed from a brokerage firm as collateral.
- **Options writing** involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market.

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## Item 9. Disciplinary Information

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This item is not applicable because Regis has no reportable disciplinary information.

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## Item 10. Other Financial Industry Activities and Affiliations

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One officer of Regis is a registered representative of the Lion Street Financial, LLC, an SEC and FINRA-registered broker-dealer (CRD #165828). This registered representative does not conduct any new business through Lion Street Financial and therefore any potential conflict of interest is mitigated. Clients will not be referred to Lion Street Financial, LLC. Regis does not intend to maintain a business relationship with Lion Street Financial.

Neither Regis, nor its representatives, are registered or have an application pending to register, as

a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

**Other Investment Adviser:** Regis is affiliated with another registered investment adviser, Mercer Global Advisors, Inc. (SEC No. 801-69271) through common ownership by Mercer Advisors, Inc.. There is no obligation to become a Mercer Advisors client or to receive services from that affiliated firm.

Regis has two affiliated insurance agencies. Mercer Advisors Insurance Services, LLC (“MAIS”) and Heim Young & Associates, Inc. (“HYA”) are wholly owned subsidiaries of Mercer Advisors Inc. There is no obligation to purchase insurance from these affiliated firms.

Regis. has an affiliated broker dealer entity, Heim, Young & Associates Inc. (“HYA”). HYA is a wholly owned subsidiary of Mercer Advisors Inc. Clients of Regis have no obligation to purchase or receive services from HYA.

**Please Note-Conflict of Interest:** Any recommendation by Regis that a client consider the purchase of an insurance product through Mercer Advisors Insurance Services (“MAIS”) or Heim, Young & Associates, Inc. (“HYA”) presents a *conflict of interest*, as the potential receipt of an insurance commission compensation by Mercer Advisors Insurance Services, HYA and their agent(s) provides an incentive for Regis representatives to recommend insurance products based on compensation to be received by its affiliated entity and representative rather than on a particular client’s needs. **No client is under any obligation to purchase any insurance product from a Mercer Advisors’ affiliated entity or from an employee of Regis.**

Regis Management Company, LLC (“Regis”) and/or certain Members of Regis in the past made seed capital investments in funds managed by the following fund managers: Mainsail Partners, LLC, (private equity buyout funds), RMA Real Estate Investment Advisors (real estate investment funds), and Merus Capital, LLC (venture capital funds). In exchange for those seed capital investments, certain Members of Regis have received a profits interest in certain funds managed by these managers. Regis has introduced its Clients to those fund managers and has caused some of its Clients to invest in some of those funds (on a fully disclosed basis). Regis had a conflict of interest in such introductions and investments because Regis Members have received performance fees from those managers, and, thus, from any investment in such a fund by one of its Clients. These profits interest arrangements will exist until all seeded funds are wound up. Since 2012, Regis has not had a fee interest in any subsequent funds raised by these managers, and it is not anticipated that seed capital investments will be made by Regis Acquisition Inc. in the future.

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

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Regis has adopted a Code of Ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 that establishes standards of conduct for Regis’ supervised persons. The Code of Ethics includes general requirements that Regis’ supervised persons comply with their fiduciary obligations to Clients and applicable securities laws, and specific requirements relating

to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of Client information. It requires supervised persons to comply with the personal trading restrictions described below and periodically to report their personal securities transactions and holdings to Regis' Compliance Officer and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Compliance Officer. Each supervised person of Regis receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received those materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during the preceding year. Clients and prospective clients may obtain a copy of Regis' Code of Ethics by contacting [cco@merceradvisors.com](mailto:cco@merceradvisors.com).

Under Regis' Code of Ethics, Regis and its managers, members and employees may personally invest in securities of the same classes as Regis purchases for Clients and may own securities of issuers whose securities that Regis subsequently purchases for Clients. This practice creates a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a Client account to profit personally by the market effect of such transactions and recommendations. To address this conflict, except as described in Item 12 regarding aggregating securities transactions, if Regis purchases or sells a security for Clients and any of Regis and its managers, members and employees on the same day, either the Clients and Regis and its managers, members and employees pay or receive the same price, or the Clients receive the more favorable price. Regis and its managers, members and employees may also buy or sell specific securities for their own accounts based on personal investment considerations aside from company or industry fundamentals, which Regis does not believe appropriate to buy or sell for Clients.

Because Regis manages more than one account, there may be conflicts of interest over its time devoted to managing any one account and allocating investment opportunities among all accounts that it manages. For example, Regis selects investments for each Client based solely on investment considerations for that Client. Different Clients may have differing investment strategies and expected levels of trading. Regis may buy or sell a security for one type of Client but not for another or may buy (or sell) a security for one type of Client while simultaneously selling (or buying) the same security for another type of Client. Regis attempts to resolve all such conflicts in a manner that is generally fair to all of its Clients. Regis may give advice to, and take action on behalf of, any of its Clients that differs from the advice that it gives or the timing or nature of action that it takes on behalf of any other Client so long as it is Regis' policy, to the extent practicable, to allocate investment opportunities to its Clients fairly and equitably over time. Regis is not obligated to acquire for any account any security that Regis or its managers, members or employees may acquire for its or their own accounts or for any other Client, if in Regis' absolute discretion, it is not practical or desirable to acquire a position in such security for that account.

Regis' general policy to allocate purchase and sales of a security to each account that it manages and for which the purchase or sale of the security is appropriate, pro rata in accordance to the capital available for investment in that account. Given the diversity (size, strategy, objectives, tax situations, etc.) of accounts that Regis manages and the different the portfolio managers of those accounts, this pro rata policy typically is the exception rather than the norm. While it is impossible to reduce to written policy every scenario in which Regis may deviate from its baseline pro rata allocation policy, some of the more common scenarios are described below.

Regis' portfolio managers often communicate regarding securities that they are considering for purchase or sale or purchasing or selling for the accounts that they manage. They do not, however, consult on every trade for the accounts they manage. Accordingly, at times, due to the timing of these consultations, among many other reasons, one of the portfolio managers may not execute a trade executed by the other portfolio manager for the accounts he manages or may execute trades in those securities several days or weeks after the trades are executed for the other accounts.

At times, a portfolio manager may identify an investment in privately offered or traded securities, for which Regis has a limited opportunity to invest. Typically, that opportunity will be allocated first to the accounts managed by that portfolio manager based on the amount of that investment that is appropriate for those accounts, and, if some of the opportunity remains after those accounts have invested, the accounts managed by the other portfolio manager are offered the opportunity to invest in those securities. Such investments typically require an extensive amount of a portfolio manager's time and energy. Such time and energy involve an opportunity cost for the Clients whose portfolios that portfolio manager oversees -- the time and energy that the portfolio manager could devote to other investment opportunities. Accordingly, Regis follows this protocol to compensate the applicable portfolio manager's Clients for that opportunity cost.

Regis typically will not recommend a security to a non-discretionary, non-fee-paying account until after it has completed its transactions in those accounts for its other Clients. The timing of such recommendations will depend based on the amount and timing of communications with those accountholders. Regis typically does not recommend specific transactions in those securities, except that it attempts to notify the accountholder after Regis has completed liquidating the position for its other accounts.

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## **Item 12. Brokerage Practices**

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In the event that the client requests that Regis recommend a broker-dealer/custodian for execution and/or custodial services, Regis generally recommends that investment advisory accounts be maintained at Schwab or Fidelity. Prior to engaging Regis to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Regis setting forth the terms and conditions under which Regis shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Regis considers in recommending Schwab or Fidelity (or any other broker-dealer/custodian to clients) include historical relationship with Regis, financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as Schwab and Fidelity can charge transaction fees for effecting certain securities transactions (*See* Item 4 above). To the extent that a transaction fee will be payable by the client to Schwab or Fidelity, the transaction fee shall be in addition to Regis's investment advisory fee referenced in Item 5 above.

To the extent that a transaction fee is payable, Regis shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to affect the same transaction where Regis determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services,

including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Regis will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions.

**Research and Benefits.** Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Regis can receive from custodians (or broker-dealer/custodians, investment managers, platform sponsors, mutual fund sponsors, or vendors) without cost (and/or at a discount) support services and/or products, certain of which assist Regis to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by Regis can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services (including those provided by unaffiliated vendors and professionals), discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support (including client events), computer hardware and/or software and/or other products used by Regis in furtherance of its investment advisory business operations. Certain of the benefits that could be received can also assist Regis to manage and further develop its business enterprise and/or benefit Regis's representatives.

Regis's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as the result of this arrangement. There is no corresponding commitment made by Regis to Schwab, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as result of the above arrangement.

**Directed Brokerage.** Regis recommends that its clients utilize the brokerage and custodial services provided by Schwab or Fidelity. The Registrant generally does not accept directed brokerage arrangements (but could make exceptions). A directed brokerage arrangement arises when a client requires that account transactions be affected through a specific broker-dealer/custodian, other than one generally recommended by Regis (i.e., Schwab or Fidelity). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker- dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Regis. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs Regis to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Regis. **Please Also Note:** Higher transaction costs adversely impact account performance. **Please Further Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

In limited circumstances, if, in the reasonable determination of Regis, it would be beneficial for the client, individual fixed income transactions, equities, and ETFs will be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate

“tradeaway” and/or prime broker fee charged by the account custodian (i.e., Schwab, etc.).

**Order Aggregation.** Transactions for each client account generally will be affected independently, unless Regis decides to purchase or sell the same securities for several clients at approximately the same time. Regis may (but is not obligated to) combine or “batch” such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among the Firm’s clients differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. In the event that Regis becomes aware that a Regis employee seeks to trade in the same security on the same day, the employee transaction will either be included in the “batch” transaction or transacted after all discretionary client transactions have been completed. The Firm shall not receive any additional compensation or remuneration as the result of such aggregation.

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## Item 13. Review of Accounts

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- Regis reviews all trade activity in clients’ accounts on a regular basis. Additionally, Regis’ back office reconciles all position and cash balances for each of its clients against broker statements.
- For its Separate Accounts, on at least a quarterly basis and as needed if more frequently due to account flows, Regis, including members of Regis’ investment committee, updates inputs into its allocation model and takes into consideration such matters as cash management, the prospects of individual securities, changes in issuer earnings, industry outlook, market outlook and price levels to rebalance individual portfolios.

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## Item 14. Client Referrals and Other Compensation

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As referenced in Item 12 above, the Registrant can receive economic benefits from Schwab and Fidelity. The Registrant, without cost (and/or at a discount), can receive support services and/or products from Schwab or Fidelity.

Clients do not pay more for investment transactions effected and/or assets maintained at Schwab or Fidelity as a result of this arrangement. There is no corresponding commitment made by Regis to Schwab, Fidelity, or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement.

The Registrant engages promoters to introduce new prospective clients to the Registrant consistent with the Investment Advisers Act of 1940, its corresponding rules, and applicable state regulatory requirements. If the prospect subsequently engages the Registrant, the promoter shall generally be compensated by the Registrant for the introduction. Because the promoter has an economic incentive to introduce the prospect to the Registrant, a conflict of interest is presented. The

promoter's introduction shall not result in the prospect's payment of a higher investment advisory fee to the Registrant (i.e., if the prospect was to engage the Registrant independent of the promoter's introduction)

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## Item 15. Custody

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Regis shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, Fidelity etc.) at least quarterly. **Please Note:** To the extent that Regis provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Regis with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Regis' advisory fee calculation.

Certain clients have established asset transfer authorizations that permit the qualified custodian to rely upon instructions from Regis to transfer client funds or securities to third parties. These arrangements are disclosed at Item 9 of Part 1 of Form ADV. However, in accordance with the guidance provided in the SEC's February 21, 2017, *Investment Adviser Association* No-Action Letter, the affected accounts are not subject to an annual surprise CPA examination. In addition, Regis and/or certain of its members engage in other services and/or practices (i.e., trustee service, etc.) requiring disclosure at Item 9 of Part 1 of Form ADV. These services and practices result in Regis having custody under Rule 206(4)-2 of the Advisers Act. Per the Rule, having such custody requires Regis to undergo an annual surprise CPA examination, and make a corresponding Form ADV-E filing with the SEC, for as long as Regis provides such services and/or engages in such practices.

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## Item 16. Investment Discretion

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Regis has discretionary authority to manage investment accounts on behalf of Clients pursuant to a limited power of attorney in each Separate Account agreement. Such discretion is limited by the requirement that Clients advise Regis of:

- The investment objectives of the account;
- Any changes or modifications to those objectives; and
- Any specific investment restrictions relating to the account

A Client must promptly notify Regis in writing if the Client considers any investments recommended or made for the account to violate such objectives or restrictions. A Client may at any time direct Regis to sell any securities or take such other lawful actions as the Client specifies to cause the account to comply with the Client's investment objectives. In addition, a Client may notify Regis at any time not to invest any funds in the Client's account in specific securities or specific categories of securities.

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## Item 17. Voting Client Securities

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Unless a client directs otherwise, in writing, Regis shall be responsible for directing the manner in which proxies solicited by issuers of securities purchased by Regis for the client's account shall be voted. Regis and/or the client shall correspondingly instruct each custodian of the assets to forward to Regis copies of all proxies and shareholder communications relating to the assets. Absent mitigating circumstances and/or conflicts of interest (to the extent any such circumstance or conflict is presented), it is Regis' general policy to vote proxies consistent with the recommendation of the senior management of the issuer. Regis shall monitor corporate actions of individual issuers and investment companies consistent with Regis' fiduciary duty to vote proxies in the best interests of its clients. Regis shall maintain records pertaining to proxy voting as required under the Advisers Act. Information pertaining to how Regis voted on any specific proxy issue is also available upon written request. Any questions regarding Regis' proxy voting policy shall be directed to [CCO@merceradvisors.com](mailto:CCO@merceradvisors.com). Separate account managers generally retain proxy voting responsibility for their allocated assets.

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## Item 18. Financial Information

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- A. Regis does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Regis is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS:** The Registrant's Chief Compliance Officer, Kim Lorenz, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements. You may reach Ms. Lorenz at [CCO@merceradvisors.com](mailto:CCO@merceradvisors.com)