



# FORM ADV PART 2A

March 28, 2024

## CRAWFORD INVESTMENT COUNSEL, INC.

600 Galleria Parkway | Suite 1650 | Atlanta, GA 30339

main 770.859.0045 | fax 770.859.0049

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

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This Disclosure Brochure ("Brochure") provides information about the qualifications and business practices of Crawford Investment Counsel, Inc. ("Crawford"). If you have any questions about the contents of this brochure, please contact Casey Krimmel Dhande, Chief Compliance Officer, at (770) 859-0045. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Crawford is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser are intended to provide you with information to assist in your determination as to whether or not to retain the services of that investment adviser.

Additional information about Crawford is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view information on this website by searching either Crawford's name or its CRD number: 110271.

## Item 2 – Material Changes

This Brochure, dated March 28, 2024, serves as our annual amendment and replaces our last other-than-annual amendment, dated June 30, 2023. Crawford will provide you with an updated Brochure, as required, based on the changes or new information, at any time without charge.

Key updates were made to the following section(s) since the last annual amendment, dated March 30, 2023:

- **Item 5 – Fees and Compensation:** Updated language regarding account minimums and performance fee billing.

Currently our Brochure may be requested by contacting Casey Kimmel Dhande, Chief Compliance Officer at (770) 859-0045 or by e-mail at [cdhande@crawfordinvestment.com](mailto:cdhande@crawfordinvestment.com). We will provide you with a copy of our current Brochure at any time without charge.

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## Item 4 – Advisory Business

### **General**

Crawford Investment Counsel, Inc. (the “Advisor”) is an independent investment advisor registered with the U.S. Securities and Exchange Commission since its inception in 1980. The owners of Advisor are John H. Crawford III, John H. Crawford IV, David B. Crawford, and the Crawford Investment Counsel, Inc. Employee Stock Ownership Plan.

Advisor generally provides investment advice on a discretionary basis to individuals, including high net worth, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, municipalities, Taft-Hartley plans, corporations, and other business entities.

Advisor’s services are always provided based on the specific needs of the individual client. Clients are given the ability to impose restrictions on their accounts, including specific investment selections and sectors. However, Advisor will not enter into an investment advisor relationship with a client whose investment objectives may be considered incompatible with Advisor's investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

Advisor typically limits its investment advice to the following types of investments:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issues
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States government securities

Asset management services are generally offered on a discretionary basis through a variety of channels, including: (1) our traditional asset management services, (2) wrap fee programs sponsored by third party financial services firms, (3) registered investment companies, and (4) model-based programs. Asset management services involve continuous and on-going supervision of client accounts, which means client accounts are monitored, and trades are made when necessary. See **Item 12, Brokerage Practices**, for additional discussion on selection of client custodians.

The total amount of clients’ assets managed by Advisor was \$7,729,583,314.43 as of December 31, 2023. Of that total, \$7,729,583,314.43 were assets managed on a discretionary basis and \$0 were assets managed on a non-discretionary basis.

### **Traditional Asset Management Services**

Advisor offers portfolio management services that include giving continuous investment advice and/or making investments for the client based on the individual needs, goals and objectives, and risk tolerance of the client.

Advisor provides management services on a discretionary basis. This means that Advisor makes all decisions to buy, sell or hold securities, cash or other investments in the managed account in Advisor’s sole discretion without consulting with the client before making any transactions. Clients must provide Advisor with written authorization to exercise this discretionary authority, and they can place reasonable restrictions and limitations on the discretionary authority. See **Item 16, Investment Discretion**, for additional discussion on discretionary authority.

### **Wrap Fee Programs**

Advisor also manages client accounts using wrap-fee programs sponsored by unaffiliated brokers/dealers. Advisor provides both traditional investment advisory and sub-advisory services to wrap fee sponsors and other registered investment advisors. In traditional portfolio management programs, advisory services are provided for a fee. In wrap-fee programs, the sponsor negotiates a management fee with the advisor and the client is charged a wrap fee which includes a transaction fee and a management fee. Wrap and sub-advised accounts are managed to a specific investment strategy, and the sponsor determines the appropriateness of the strategy for their client. Traditional accounts have a more complete process which considers the goals and objectives and relationship with the end client. Advisor receives a portion of the wrap fee charged to the client's account.

### **Registered Investment Companies**

Advisor also provides investment management services to investment companies such as mutual funds. Specifically, Advisor serves as investment advisor to the Crawford Large Cap Dividend Fund (CDGIX, CDGCX), the Crawford Small Cap Dividend Fund (CDOFX), and the Crawford Multi-Asset Income Fund (CMALX). The Crawford Large Cap Dividend Fund (CDGIX, CDGCX) invests primarily in common stocks of large capitalization companies that demonstrate a consistent pattern of earnings and dividend growth. The Crawford Small Cap Dividend Fund (CDOFX) typically invests in common stocks of small capitalization companies and seeks to maximize total return through long term stock ownership of those companies determined to possess attractive fundamentals and consistent dividends. The Crawford Multi-Asset Income Fund (CMALX) pursues a multi-asset income strategy with the primary objective of generating current income.

### **Model-Based Programs**

Certain Unified Managed Account (UMA) or Model Program Sponsors receive Advisor's model securities portfolio for selected investment styles. The Advisor also provides updates to the model, but is not responsible for actual implementation in client accounts. The Advisor does not have any contact with the underlying clients utilizing the model and the Advisor does not perform any trading on behalf of the underlying clients.

### **Retirement Plan Rollovers – No Obligation / Conflict of Interest**

A client or prospective client leaving an employer has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Advisor recommends that a client roll over their retirement plan assets into an account to be managed by the Advisor, such a recommendation creates a conflict of interest in that Advisor will earn new (or increases its current) compensation as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Advisor.

Please see **Item 5, Fees and Compensation**, for a detailed description of fees charged.

## **Item 5 – Fees and Compensation**

This section provides details regarding Advisor's services along with descriptions of fees and compensation arrangements.

### **General**

Fees paid by the client to the Advisor are exclusive of all custodial and transaction costs paid to the client's custodian, brokers, or other third party consultants.

Advisor charges fees for management services based on a percentage of assets under management. Fees are billed quarterly in advance and calculated based on the market value of the account as of the beginning of the quarter. Some accounts may be billed in arrears.

If fees are deducted from a client's account, the client must provide the account custodian with written authorization to have fees deducted from the account and paid directly to Advisor. A billing notice is sent to the account custodian, and Advisor also sends the client a billing notice showing the amount of the fee to be deducted, the manner in which the fee was calculated, any adjustments to the fee and an explanation of any adjustments. Clients should review account statements received from their account custodian and verify appropriate advisory fees are being deducted.

Either party may terminate the agreement for services at any time by providing written notice to the other party. Termination is effective upon receipt of the notice. If services are terminated within 5 business days of executing the agreement, services will be terminated without penalty. If services are terminated after the initial 5-day period, fees are prorated based on the number of days that services are provided prior to receipt of notice of termination, and a prorated refund is provided to client.

Advisor may negotiate the fee charged in certain circumstances, such as the account having a substantially larger than average value. In all cases, Advisor discloses the fee charged prior to services being provided. If an account is created mid-quarter, the initial fee is prorated based on the number of days services were provided. In addition, any significant additions or withdrawals to the account during the quarter are also prorated based on the time they are actually in the account.

#### **Traditional Asset Management Services**

The annual fee schedule, based on a percentage of assets under management for balanced and equity only accounts, is as follows:

<b>Market Value of Portfolio</b>	<b>Annual Fee</b>
First \$3,000,000	1.00%
Balance above \$3,000,000	0.50%

The minimum account value is \$2,000,000 for balanced and equity only accounts.

The annual fee schedule, based on a percentage of assets under management for fixed income only accounts is as follows:

<b>Market Value of Portfolio</b>	<b>Annual Fee</b>
First \$5,000,000	0.40%
Next \$5,000,000	0.35%
Balance above \$10,000,000	0.30%

The minimum account value is \$5,000,000 for fixed income only accounts.

Certain legacy relationships may have a fee schedule that differs from the above fee schedules. There is no minimum account value requirement for existing clients to establish a new managed account. In programs where account minimums have been reduced, the fee may be higher to reflect a lower account value. When a lower minimum account value is offered, a minimum annual fee may be assessed quarterly.

### **Other Non-Advisory Fees**

Clients should be aware that they can invest in some mutual funds directly, without the services of Advisor. However, in this case, they would not receive the services provided by Advisor that are designed to, among other things, assist them in determining which mutual funds are more appropriate to their financial condition and objectives. Accordingly, clients should review both the fees charged by the mutual fund(s) and Advisor to fully understand the total fees that they will pay.

Clients may be charged fees by other parties in connection with the investment advice provided by Advisor. These other fees may include brokerage commissions and/or transaction fees charged by the client's custodian. In addition, clients may incur certain charges imposed by third parties other than Advisor in connection with investments made through the account including, but not limited to, mutual fund sales loads, 12(b)-1 fees, contingent deferred sales charges and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by Advisor are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to the client. A description of these fees and expenses are available in each security prospectus. See **Item 12, Brokerage Practices**, for additional discussion.

### **Wrap Fee Programs**

Clients typically pay 1.00% to 2.50% of their assets invested in the program. Advisor receives a portion of that fee which has been negotiated with sponsor, and there are no separate transaction charges. When determining whether to invest through a particular wrap-fee program, clients should consider such factors as the amount of the wrap fee, the amount of activity in their portfolio and the value of the custodial and other services provided. Clients should also realize the final wrap fee may exceed the aggregate cost of such services if the services were to be provided separately and if Advisor or other investment advisors were free to negotiate commissions and seek best price and execution for the client accounts.

### **Registered Investment Companies**

The total expense ratio associated with mutual funds is 0.92% for CDGIX, 1.92% for CDGCX, 0.99% for CDOFX, and 0.99% for CMALX. In that figure, other applicable fund fees (i.e., 12b-1 fees, etc.) apply. Advisor may also recommend these funds to its private advisory clients. If any of its private advisory clients invest in the fund, Advisor will not charge a Traditional Asset Management Services fee those funds invested.

### **Model-Based Programs**

The Advisor receives fees based on the value of the client portfolios managed according to the model strategies. In some instances, the Advisor may charge a minimum annual fee.

### **Performance Fee Billing**

At the specific request of a client, and on an exception basis only, asset management services previously described may be offered for a performance fee. The Advisor requires a client have at least \$50 million in assets under management to qualify for a performance based fee. Any performance fee arrangements will comply with Section 205-3 of the *Investment Advisers Act of 1940*. Performance fee calculation details will be determined between Advisor and client and disclosed in the client agreement before any services are provided.

Fees are billed and paid in the same manner as previously described for the stand-alone asset based fee management program.

Please see **Item 6, Performance Based Fees and Side-by-Side Management**, for additional information.

### **Additional Compensation**

We do not receive any compensation other than the fees described in this Disclosure Brochure.

### **Comparable Services**

Advisor believes its fees for advisory services are reasonable with respect to the services provided and the fees charged by other investment advisors offering similar services. However, lower fees for comparable services may be available from other sources.

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

Performance based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. Clients should be aware that there are potential conflicts of interest when Advisor manages accounts on a performance fee basis. For example, the nature of a performance fee poses an opportunity for Advisor to earn more compensation than under a stand-alone asset based fee. Thus, even though Advisor provides performance fee billing on an exception basis only, Advisor may favor performance fee accounts over those accounts where it receives only an asset based fee. Advisor may devote more time and attention to performance fee accounts than to accounts under an asset-based arrangement. In addition, performance fees can encourage unnecessary speculation with client assets in order to earn or increase the amount of the fee. The result of riskier investments can have a positive effect, in that results could equal higher returns when compared to an asset-based account. On the other hand, riskier investments historically have a higher chance of losing value. Also, a performance fee arrangement could give Advisor an incentive to time transactions in a client's account on the basis of fee considerations rather than on what is necessarily in the best interest of the client. Performance fees can potentially cause Advisor to engage in transactions or strategies which increase the amount of the performance fees but which may not increase overall performance of the client's account.

Advisor does not represent that the amount of the performance fees or the manner of calculating performance fees is consistent with other performance related fees charged by other investment advisor under the same or similar circumstances. The performance fees charged by Advisor may be higher than the performance fees charged by other investment advisors for the same or similar services.

Advisor has established policies and procedures to address the various conflicts of interest associated with charging a performance fee:

- Advisor devotes equal time to managing performance fee accounts and asset based accounts.
- Clients requesting performance fee arrangements and granted an exception to do so must be able to assume additional risk. Advisor provides these clients full disclosure of the additional risks associated with a performance fee arrangement.
- Advisor's representatives typically manage personal accounts using a similar investment strategy used for clients.
- Advisor has implemented internal compliance policies and procedures designed to comply with applicable state and federal securities law. Procedures are available to clients upon request.

Advisor requires that any qualified client requesting performance fee billing must have a minimum of \$50 million in assets under management with Advisor.

Please see **Item 5, Fees and Compensation**, for additional information concerning the asset management services provided on a performance fee basis.



## Item 7 – Types of Clients

Advisor's types of clients are listed in **Item 4, Advisory Business**. Minimum fees and account sizes are discussed in **Item 5, Fees and Compensation**.

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

### **Methods of Analysis**

The Advisor offers equity and fixed income strategies for separately managed accounts and advises three mutual funds, the Crawford Large Cap Dividend Fund (CDGIX, CDGCX), the Crawford Small Cap Dividend Fund (CDOFX), and the Crawford Multi-Asset Income Fund (CMALX).

### **Equity Investment Philosophy & Approach:**

The Advisor invests for total investment return over the longer-term, and focuses on income producing stocks to help achieve attractive returns with acceptable risk. The philosophy favors consistent, dividend-paying companies because these are typically of higher quality with less business risk, can be owned for the longer term, provide opportunities for a more predictable return pattern, and the income component is a meaningful contributor to total investment return over time. Along with other tools, the dividend can also be used as a valuation metric to help identify mispricing opportunities within a universe of high quality companies. The Advisor utilizes a bottom-up, value-oriented approach that is implemented by the investment team. Portfolios remain fully invested.

The Advisor has nine different equity investment strategies which are all philosophically aligned. Each is value-oriented, implemented by the investment team, and all focus on higher quality, income producing securities.

**Dividend Growth Equity** – The focus of the Dividend Growth strategy is high-quality companies with strong financial characteristics that are typically reflected in the company's dividend history. Many portfolio holdings raise their dividends consistently over time, and the high-quality bias helps produce more consistent investment returns. This is a long-term, value-oriented investment approach that seeks an attractive combination of above average dividend yield and above average dividend growth. In-depth, fundamental research is conducted on new and existing holdings. This high-quality bias and propensity to pay increased dividends helps us achieve our objectives of attractive, risk-adjusted total return, income, and growth of income. The number of individual stock holdings ranges from 35-40.

**Dividend Yield Equity** – The Dividend Yield strategy is a higher quality equity strategy with an added emphasis on current income. The approach is long term, total investment return oriented, and seeks to provide a high and growing stream of dividend income. A thorough, bottom up investment research process and adequate diversification are priorities. The stock selection criteria are focused on total return, expected contribution to portfolio yield, and quality. In this portfolio, quality implies both safety of the dividend and predictability around total investment return potential, among others. The number of individual stock holdings ranges from 40-50, and we seek to position the portfolio at the intersection of higher quality and higher yielding stocks.

**Core Equity** – The Core Equity strategy is a “best ideas” total investment return portfolio of dividend-paying companies. We use a bottom up, fundamental investment approach focused on high-quality stocks. Portfolio holdings are primarily based on individual research analyst conviction levels (“best ideas”). The result is a portfolio of consistent businesses from across the capitalization spectrum that have a catalyst for future price appreciation. The strategy typically holds 50 individual stocks which are diversified by economic sector.

**Small Cap Equity** – The Small Cap strategy seeks total return in a less efficient area of the stock market while at the same time attempting to exploit a behavioral bias amongst investors. Smaller company stocks tend to have less research coverage, and we believe that long term investors can gain an information advantage and capture inefficiencies through an exhaustive, due diligence process. Further, we found that many investors seek higher returns and chase lower quality businesses when investing in smaller company stocks. This so-called “lottery effect” can provide opportunities for price sensitive investors in high-quality, dividend-paying companies that demonstrate consistency in their business. Philosophically aligned with all Advisor strategies, we research higher quality, smaller capitalization, dividend-paying companies that offer growth potential and that we believe are undervalued. Companies that pay dividends and have a market capitalization below \$5 billion dollars are eligible for purchase, and we typically own 60-80 stocks in this strategy.

**SMID Cap Equity** – The SMID Cap strategy seeks total return by investing in higher quality small and medium sized companies. Companies that pay dividends and have a market capitalization between \$500 million and \$25 billion are eligible for purchase. A team-based, value-oriented approach focused on in-depth, fundamental research and analysis is utilized. The SMID portfolio is well-diversified, invested with a longer-term orientation (3-5 years) and owns approximately 60-80 stocks weighted by conviction levels and risk versus return considerations.

**Managed Income** – The Managed Income strategy’s primary objective is current yield. This is achieved by owning common and preferred stocks, and Real Estate Investment Trusts (REITs), among other securities (including fixed-income investments). All securities are publicly traded and there are no K-1s. Investment decisions are based on fundamental research. The portfolio is constructed with 40-60 individual investments and 30-35% average annual turnover.

#### **Fixed Income Investment Philosophy & Approach:**

The Advisor believes diversification is the foundation of professional portfolio management, and the primary objectives of high-grade bond investing are capital preservation and income production. This philosophy drives the fixed income investment process, including the approach to credit and market risk management. Relative value assessments drive investment purchase decisions after a security passes a quality screening process based on fundamental credit analysis. Sell decisions are motivated by yield enhancement opportunities, relative overvaluation, or deteriorating credit metrics.

**Intermediate Core Bond** – The Intermediate Core Bond investment strategy focuses on the objectives of capital preservation and income production. The Advisor employs an active management approach positioning the strategy for an interest rate trend based on economic cycle stage and outlook. This produces a strategic weighting of market (interest rate) and credit risk achieved through sector rotation and yield curve positioning. Employing a laddered maturity structure spanning 1 to 15 years reduces market and reinvestment risk. U.S. Treasury, government agency, corporate, and municipal sectors are included for investment consideration. Portfolios are typically comprised of 20 to 30 individual bond positions.

**Intermediate Municipal Bond** – The Intermediate Municipal Bond investment strategy focuses on the objectives of capital preservation and income production. The Advisor seeks to invest in high quality, tax-backed and essential service municipal issuers with a history of consistent financial performance and a highly predictable ability to meet future debt service. Portfolio construction includes investment in 20 to 30 individual bond positions diversified across a laddered intermediate maturity distribution of 1 to 15 years. Investment in municipal sectors and bond structures that produce above market yields achieves relative value, while State and

sector diversity mitigate geographic and credit risk. Bonds subject to the Alternative Minimum Tax (AMT) deliver additional yield enhancement to eligible portfolios.

**Enhanced Cash** – The Enhanced Cash Strategy focuses on the objectives of capital preservation and income production. The Advisor invests in high quality, short-term municipal bonds, providing an alternative to tax-exempt money market funds. High coupon municipal bonds with short-term redemption features produce above-market yields relative to traditional short-duration bonds. This strategy attempts to maximize yield for a very low level of market (interest rate) risk. Portfolio construction typically includes 10 to 20 individual municipal bonds with an average effective maturity of approximately 6 months.

### **Risk of Loss**

Investing in securities involves a risk of loss that clients should be prepared to bear, including the loss of original principal. Clients should also be aware that past performance of any security is not necessarily indicative of future results. Therefore, clients should not assume that future performance of any specific investment or investment strategy will be profitable. Advisor does not provide any representation or guarantee that client goals will be achieved.

Investing in securities involves risk of loss. Further, depending on the different types of investments, there may be varying degrees of risk:

- **Market Risk.** Either the market as a whole, or the value of an individual company goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- **Equity (Stock) Market Risk.** Common stocks are susceptible to fluctuations and to volatile increases/decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- **Company Risk.** There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).
- **Fixed Income Risk.** Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- **ETF and Mutual Fund Risk.** ETF and mutual fund investments bear additional expenses based on a pro-rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- **Real Estate Investment Trust (REIT) Risk.** The value of REITs can be negatively impacted by declines in the value of real estate, adverse general and local economic conditions and environmental problems. REITs are also subject to certain other risks related specifically to their structure and focus, such as: (a) dependency upon management's skills; (b) limited

diversification; (c) heavy cash flow dependency; (d) possible default by borrowers; and (e) in many cases, less liquidity and greater price volatility.

- **Business Development Company (BDC) Risk:** As a company that is created to help grow small companies in the initial stages of their development, the BDC's assets are invested in early stage companies which may be more volatile due to their limited product lines, markets, financial reserves, or their susceptibility to competitors' actions, major economic setbacks or downturns. These small companies may also require significant investment of capital supplied by the BDC to support their operations and may finance the development of their products or markets. The small companies may be highly leveraged and subject to significant debt service obligations, which could have a materially adverse impact on the value of the BDC investment.
- **Management Risk.** Client investments also vary with the success and failure of Advisor's investment strategies, research, analysis and determination of portfolio securities. If Advisor's strategies do not produce the expected returns, the value of a client's investments will decrease.

Advisor does not use margin in investment strategies. Clients may direct Advisor to use margin if they elect to borrow funds against their investment portfolio. When clients purchase securities, they may pay for the securities in full or borrow part of the purchase price from their account custodian or clearing firm. If clients borrow part of the purchase price, then they are engaging in margin transactions, and there is risk involved. The securities held in a margin account are collateral for the custodian or clearing firm that loaned the money. If those securities decline in value, then the value of the collateral supporting the loan also declines. As a result, the brokerage firm is required to take action in order to maintain the necessary level of equity in client accounts. The brokerage firm may issue a margin call and/or sell other assets in client accounts.

It is important that clients fully understand the risks involved in trading securities on margin, including:

- The loss of more funds than deposited in a margin account
- The account custodian or clearing firm can force the sale of securities or other assets in the account
- The account custodian or clearing firm can sell securities or other assets without contacting client
- Clients are not entitled to choose which securities or other assets in their margin account may be liquidated or sold to meet a margin call
- The account custodian or clearing firm may move securities held in the cash account to the margin account and pledge the transferred securities
- The account custodian or clearing firm can increase its "house" maintenance margin requirements at any time and are not required to provide advance written notice
- Clients are not entitled to an extension of time on a margin call

#### **Primary Method of Analysis or Strategy**

Fundamental analysis takes a long-term approach to analyzing markets, often looking at data over a number of years. The data reviewed is released over years (e.g., quarterly financial statements). Therefore, fundamental analysis could mean a gain is not realized until a security's market price rises to its "correct" value over the long run – perhaps several years. Fundamental analysis usually involves less frequent trading practices which could also have a positive or negative impact on a client's portfolio value, but likely has reduced brokerage and transaction costs.

#### **Primarily Recommend One Type of Security**

We do not recommend any specific security to clients. Instead, we recommend products or strategies which we believe are suitable for each client relative to specific circumstances and needs.

### **Item 9 – Disciplinary Information**

Advisor has no legal or disciplinary events that are material to a client's or prospective client's evaluation of Advisor's business or the integrity of its management. Therefore, this item is not applicable to Advisor's Brochure.

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

Please see **Item 5, Fees and Compensation**, for discussion concerning Advisor's relationship with Crawford Large Cap Dividend Funds, Crawford Small Cap Dividend Fund, Crawford Multi-Asset Income Fund.

When Advisor recommends that its private clients invest in one of the funds, a material conflict exists in that Advisor's incentive to recommend the funds may be based on economic factors and not necessarily the client's best interest. However, it is Advisor's policy that the solicitation of private clients to invest in the funds be based on the client's goals and risk tolerance. In addition, if private clients do invest in the funds, Advisor does not charge a Traditional Asset Management Services fee on those assets due to the fact that the Crawford Large Cap Dividend Funds, the Crawford Small Cap Dividend Fund, and the Crawford Multi-Asset Income Fund pays a management fee to Advisor.

Please also refer to **Item 14, Client Referrals and Other Compensation**, for a discussion concerning Advisor's other relationships.

Advisor does not have a related person that is:

- A broker/dealer, municipal securities dealer or government securities dealer or broker
- A investment adviser or financial planner
- A futures commission merchant, commodity pool operator or commodity trading advisor
- A banking or thrift institution
- Accountant or accounting firm
- A lawyer or law firm
- An insurance company or agency
- A pension consultant
- A real estate broker or dealer
- A sponsor or syndicator of limited partnerships.

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

#### **Code of Ethics**

Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisers to establish, maintain and enforce a Code of Ethics. According to the *Investment Advisers Act of 1940*, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each client. Advisor and its representatives have a fiduciary duty to all clients. Advisor has established a Code of Ethics that all persons associated with the firm must read. They must then execute an acknowledgment agreeing that they understand and agree to comply with the Code of Ethics. The fiduciary duty of Advisor and its representatives to



clients is considered the core underlying principle for Advisor's Code of Ethics and represents the expected basis for all dealings with clients. Advisor has the responsibility to make sure that the interests of clients are placed ahead of it or its associated persons' own investment interests. All representatives will conduct business in an honest, ethical and fair manner. All representatives will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted. All representatives have a responsibility to avoid circumstances that might negatively affect or appear to affect their duty of complete loyalty to clients. This section is only intended to provide current clients and potential clients with a description of Advisor's Code of Ethics. If current clients or potential clients wish to review Advisor's Code of Ethics in its entirety, a copy may be requested from Casey Kimmel Dhande, Chief Compliance Officer, and it will be provided promptly.

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

Advisor may recommend that clients invest in Crawford Large Cap Dividend Fund (CDGIX, CDGCX), Crawford Small Cap Dividend Fund (CDOFX), or Crawford Multi-Asset Income Fund (CMALX). Advisor is the investment manager for these funds and is compensated for the services it provides. Advisor does not charge a Traditional Asset Management Services fee to the client on the allocation to the fund.

### **Personal Trading**

Advisor and its representatives may buy or sell securities for their own accounts that are recommended to clients. Advisor has policies in place for protecting the client's interest first. They also recommend the purchase or sale of different securities for different clients at different times. This could result in contrary advice being given or action taken on behalf of clients and in the personal accounts of Advisor and its representatives. To prevent conflicts of interest, associated persons must have personal trading preapproved by Chief Compliance Officer before execution of transaction.

To prevent conflicts of interest, Advisor's Code of Ethics includes personal investment and trading policies for all employees, including their immediate family members (collectively, access persons). The Code of Ethics is distributed to all access persons upon employment, both annually and upon amendment, and all access persons acknowledged they have read, understood and agreed to abide by Advisor's policies and procedures. The policies include:

- Access persons cannot prefer their own interests to that of the client
- Access persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts
- Access persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investment public upon reasonable inquiry
- Advisor maintains a list of all securities holdings for itself and all Access persons; this list is reviewed on a regular basis by Advisor's Chief Compliance Officer

Any associated persons not observing Advisor's policies or violating any applicable state and federal advisory practice regulations is subject to sanctions up to and including termination.

## **Item 12 – Brokerage Practices**

Clients wishing to implement Advisor's advice are free to select any broker/dealer or investment advisor they wish and are so informed. Best execution of client transactions is an obligation Advisor takes seriously and is a catalyst in the decision of using an account custodian. While quality of execution at the best price is an important determinant, best execution does not necessarily mean

lowest price, and it is not the sole consideration. When Advisor has discretion as to placement of transactions, it considers the following:

- Where the best execution (price) is likely to be obtained. This is a function of past experience with individual firms, particular brokers and traders and the security in question.
- A brokerage firm's research and investment ideas that directly impact a client's portfolio.
- Price (the amount of commission paid). All trades are negotiated to the appropriate level based on the size of the trade and its complexity to execute.
- The quality of the execution, clearance and settlement services, and custodian or other administrative services. Because of these considerations Advisor may pay a brokerage commission in excess of that which another broker might have charged for having effected the same transaction in recognition of the value of brokerage or research services provided by the broker.

The custodians for Advisor's clients may make available other products and services at a reduced cost or at no cost. These other products and services may benefit Advisor but may not benefit its clients' accounts. Some of these other products and services assist Advisor in managing and administering clients' accounts, including:

- Software and other technology that provide access to client account data (such as trade confirmations and account statements)
- Facilitation in trade execution (and allocation of aggregated trade orders for multiple client accounts)
- Research, pricing information and other market data
- Facilitation for payment of fees to Advisors from clients' accounts
- Assistance with back-office functions, record-keeping and client reporting

These custodians may also offer other services intended to help Advisor manage and further develop its business enterprise, such as:

- Consulting
- Publications and conferences on practice management
- Information technology
- Business succession
- Regulatory compliance
- Marketing

As a fiduciary, Advisor endeavors to act in its clients' best interests. However, any recommendation that clients maintain their assets in accounts at certain custodians may be based in part on the benefit to Advisor of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by such custodians. This may create a potential conflict of interest. Clients are under no obligation to act on the recommendations of Advisor.

### **Directed Brokerage**

Clients may select a broker/dealer or account custodian different from one recommended by Advisor and direct Advisor to use that broker/dealer or custodian to maintain custody of their assets. Advisor has discretion to reject the client's request for directed brokerage. If Advisor does not agree to manage the client's assets at another custodian, the client is free to choose a custodian recommended by Advisor or to choose another advisor to manage their assets. When a client directs the use of a particular broker/dealer or other custodian, Advisor may not be able to obtain the best price and execution for the transaction. Clients who direct the use of a particular broker/dealer or custodian

may receive less favorable prices than would otherwise be the case if clients had not designated a particular broker/dealer or custodian. Further, directed trades may be placed by Advisor after effecting non-directed trades.

Additionally, sub-advisory and dual contract clients may choose to designate the relevant intermediary or another broker-dealer which may or may not be affiliated with that intermediary to execute securities transactions on behalf of their account.

If the client directs the use of a particular broker-dealer, Advisor asks that the client also specify in writing whether the designated firm should be used for all transactions, even though Advisor might be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. Clients, who, in whole or in part, direct Advisor to use a particular broker-dealer to execute transactions for their accounts should be aware that, in so doing, they may adversely affect Advisor's ability to, among other things, obtain volume discounts on bunched orders or to obtain best price and execution by, for example, executing over-the-counter stock transactions with the market makers for such securities.

Additionally, transactions for a client that directs brokerage are generally unable to be combined or "bunched" for execution purposes with orders for the same securities for other accounts managed by Advisor. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for the bunched order. Under these circumstances, the direction by a client of a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Advisor could negotiate commission rates or spreads freely, or select brokers or dealers based on best execution. Consequently, best price and execution may not be achieved.

### **Wrap Fee Programs**

Many wrap fee programs require that brokerage transactions ordinarily will be affected through the sponsor or its designated broker-dealer (the "designated broker"). As noted above, Advisor participates in certain wrap fee programs in which the sponsor would generally: (1) recommend Advisor; (2) pay Advisors management fees on behalf of the wrap fee client; (3) execute the wrap fee client's portfolio transactions, generally without commission charges; (4) monitor Advisor's performance; and, in most cases, (5) act as custodian, or provide some combination of these or other services, all for a single fee paid by the wrap fee client to the sponsor.

Clients participating in wrap fee programs should recognize that commissions for transactions executed by the designated broker on behalf of the client's account are not negotiated by Advisor and Advisor may not be free to seek best available price and most favorable execution. Even under those wrap fee arrangements in which Advisor retains some discretion to select other brokers or dealers to execute client transactions if Advisor believes that "best execution" may be obtained elsewhere, since the client has already paid an asset based charge that includes commissions on transactions executed through the designated broker (and transactions executed away from the designated broker would generally result in the client paying a commission, concession, dealer mark-up or mark-down or other fees associated with the execution or settlement of that transaction, in addition to the wrap fee paid to the program sponsor), Advisor expects that best execution would generally be through the designated broker.

As with client-directed brokerage accounts, Advisor is often unable to freely select broker-dealers for account transactions. As a result, Advisor would be unable to bunch orders for wrap fee clients with orders for those clients who have granted brokerage discretion to Advisor, which may result in wrap fee clients receiving a price that is less favorable than the price obtained for discretionary brokerage clients. These limits on Advisor's brokerage discretion may result in higher commissions, greater



spreads, or less favorable net prices than might be the case if Advisor could negotiate commission rates or spreads freely. Moreover, the overall costs associated with obtaining these services through a wrap fee arrangement may exceed those which might be available if the client were to obtain those services separately. Accordingly, wrap fee clients should satisfy themselves that the wrap fee program is a suitable investment, given the client's particular financial needs and circumstances.

#### **Soft Dollar Commission Policy**

Consistent with its discretionary authority to select particular brokers, Advisor utilizes some commission dollars in order to obtain services that directly benefit clients' portfolios, such as research products. Soft dollar executions are done through reputable brokers only and only done in cases where execution is not sacrificed. The brokers provide low commission rates. Crawford's Best Execution Committee approves and signs off on soft dollar arrangements at least annually and creates a master brokerage allocation budget with the trader(s). Monthly reports are compiled to document soft dollar activities.

Examples of research services purchased are: written market publications for investment professionals dealing generally with market information, asset allocation, and information relating to selected specific companies and securities; a database of fundamental data on over 7,000 securities; and Bloomberg which provides real-time and historic data, news, analytics, pricing, trading and communication tools. An example of one product used on a mixed use basis is Advisor's portfolio accounting/analysis system. This product is used for analyzing portfolios, managing portfolios and viewing portfolios versus models as well as benchmarks which allow the firm to classify this as a research tool.

#### **Block Trades**

Advisor generally implements transactions for client accounts independently, unless it decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used when Advisor believes such action may prove advantageous to clients.

Advisor aggregates transactions only if it believes that aggregation is in the best interests of the applicable clients, is consistent with its duty to seek best execution for its clients, and is consistent with the terms of its investment advisory agreement with each client for whom transactions are being aggregated. Nevertheless, the system employed by Advisor may have a detrimental effect on the price or value of the security as far as each client is concerned. In other cases, however, the ability of the clients to participate in volume transactions will produce better execution prices.

When Advisor determines to aggregate client orders for the purchase or sale of securities, including securities in which its associated persons may invest, Advisor does so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Advisor does not receive any additional compensation or remuneration as a result of aggregating or blocking trades.

Advisor generally will not aggregate trades for clients who have limited Advisor's brokerage discretion (including, but not limited to, wrap fee clients) with the Mutual Fund or other client accounts that it manages to the extent that (i) those clients have directed their brokerage to a particular broker-dealer or (ii) with respect to wrap fee clients, such clients pay comprehensive fees that already include the costs of executing transactions through a specified broker-dealer. Orders for such clients will generally be aggregated only with similar clients and allocated in the same manner as described above. Advisor will generally follow a trade rotation of different client groups to ensure the certain clients are not always traded before others. Advisor may include proprietary accounts in such aggregate trades subject to its duty of seeking best execution and to its Code of Ethics. Advisor investment personnel are responsible for reviewing all accounts for which they order trades to determine that the transactions entered are correct and are correctly entered. When a trading error is discovered,

the Advisor follows established procedures to correct the error. Advisor will ensure that the appropriate corrective action (including any appropriate reimbursement) is taken promptly after discovery of the error and will document the error and its correction for inclusion in Advisor's books and records as required by applicable law.

## **Item 13 – Review of Accounts**

### **Account Reviews**

Portfolio management and trading services are conducted continuously. Members of the portfolio management teams are in constant communication with various markets and act to make appropriate adjustments to portfolios as situations arise. External events, economic or market related, could also trigger account review to ascertain if any adjustments are warranted. Significant contributions and withdrawals are also reviewed. Additionally, account reviews are conducted whenever changes occur within investment strategies or at a client's request or if there is a significant change in the client's circumstances.

Account reviews are performed by Advisor's portfolio managers and each manager is responsible for reviewing his/her own accounts. Absent specific client instruction, accounts are reviewed relative to asset allocations in the client's portfolio(s), accuracy of portfolio holdings, continuing suitability of investment products and to check that account performance is still working toward the client's goals and objectives.

### **Account Reports**

Clients should receive an account statement at least quarterly from the custodian maintaining their account. In addition, Advisor sends a report of the client's portfolio at least quarterly. The reporting package covers recent economic and market trends and their impact on the client's portfolio and a portfolio overview. Clients should compare the account statements they receive from the custodian with the report they receive from the Advisor and report any differences to client's Advisor representative.

In the case of wrap programs or where Advisor acts as a sub-advisor to another registered investment advisor's clients, the reporting is provided by that sponsor or to the other registered investment advisor.

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

### **Client Referrals**

The Advisor currently has and may enter into other agreements with Promoters ("Solicitors") to refer clients to the Advisor for compensation, which are generally cash payments. This presents a potential conflict of interest since a solicitor has an incentive to recommend the Advisor as a result of the Advisor's compensation. The Advisor mitigates this risk by requiring each solicitor to provide the prospective client with a copy of this document (The Advisor's Disclosure Brochure) and a separate disclosure statement that includes the following information:

- The solicitor's name and relationship with the Advisor's firm;
- The fact that the solicitor is being paid a referral fee;
- The amount of the fee;
- The fee paid to solicitor as a portion of the investment management fees paid to the Advisor for investment management services, and the same as the client would otherwise pay if a solicitor was not involved. The client's fee is not increased due to a solicitor's involvement; and
- The client must acknowledge this arrangement in writing.

If a referred client enters into an investment advisory agreement with Advisor, a cash referral fee is paid to the solicitor that is based upon a percentage of client advisory fees that are generated. This referral relationship will not result in clients being charged any fees over and above the normal advisory fees charged for the advisory services provided. The referral agreements between Advisor and the solicitors are in compliance with regulations as set out in 17 CFR § 275.206(4)-1, the Rules under the *Investment Advisers Act of 1940*, and the rules set forth by the respective state jurisdictions.

### **Other Referrals**

Advisor participates in the Fidelity Wealth Advisor Solutions® Program (the “WAS Program”), through which Advisor receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. Advisor is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control Advisor, and FPWA has no responsibility or oversight for Advisor’s provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for Advisor, and Advisor pays referral fees to FPWA for each referral received based on Advisor’s assets under management attributable to each client referred by FPWA or members of each client’s household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to Advisor does not constitute a recommendation or endorsement by FPWA of Advisor’s particular investment management services or strategies. More specifically, Advisor pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as “fixed income” assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, Advisor has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program. These referral fees are paid by Advisor and not the client.

To receive referrals from the WAS Program, Advisor must meet certain minimum participation criteria, but Advisor may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC (“FBS”). As a result of its participation in the WAS Program, Advisor may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and Advisor may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to Advisor as part of the WAS Program. Under an agreement with FPWA, Advisor has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, Advisor has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when Advisor’s fiduciary duties would so require, and Advisor has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA’s affiliates to another custodian; therefore, Advisor may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit Advisor’s duty to select brokers on the basis of best execution.

Advisor also receives client referrals from Charles Schwab & Co., Inc. (“Schwab”) through Advisor’s participation in Schwab Advisor Network® (“SAN”). SAN is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with the Advisor. Schwab does not supervise Advisor and has no responsibility for Advisor’s management of clients’ portfolios or Advisor’s other advice or services. Advisor pays Schwab fees to receive client

referrals through SAN. Advisor's participation in SAN may raise potential conflicts of interest described below.

Advisor pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Advisor is a percentage of the fees the client owes to Advisor or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Advisor pays Schwab the Participation Fee for as long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Advisor quarterly and may increase, decrease or be waived by Schwab from time to time. The Participation Fee is paid by Advisor and not by the client. Advisor has agreed not to charge clients referred through SAN fees or costs greater than the fees or costs Advisor charges clients with similar portfolios who were not referred through the SAN.

Advisor generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by Schwab, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Advisor will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Advisor's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Advisor will have incentives to encourage household members of clients referred through SAN to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Advisor's fees directly from the accounts.

For accounts of Advisor's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Advisor's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Advisor may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Advisor nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Advisor's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

#### **Other Compensation**

For additional discussion on other compensation received by Advisor, its owners or its representatives, please refer to **Item 5, Fees and Compensation** and **Item 10, Other Financial Industry Activities and Affiliations**. Please see **Item 12, Brokerage Practices**, for discussion about the services and products Advisor may receive from custodians of client accounts.

### **Item 15 – Custody**

If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the *Investment Advisers Act of 1940* and must ensure proper procedures are implemented. Account statements are delivered directly from the qualified

custodian to each client or the client's independent representative at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from us. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

We have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the creation of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained.

In instances where the Advisor is the sub-advisor in a third-party wrap program, the Advisor relies on the sponsor of the third-party wrap program to provide custodian account statements to those separately managed account clients since the sponsor serves as the adviser to those clients and maintains the relationship with those clients.

### **Item 16 – Investment Discretion**

Asset management services are provided on both a discretionary and non-discretionary basis. On a discretionary basis, the Advisor makes all decisions to buy, sell or hold securities, cash or other investments using its sole discretion without consulting with the client before implementing any transactions. Clients must provide Advisor with written authorization to exercise this discretionary authority. Clients can impose reasonable restrictions on management of their accounts.

While discretionary authority is granted, it is limited. Advisor does not have access to client funds and/or securities with the exception of having advisory fees deducted from the client's account and paid to Advisor by the account custodian. Any fee deduction is done pursuant to the client's prior written authorization provided to the account custodian.

If management services are provided on a non-discretionary basis, the Advisor always contacts the client before implementing any transactions in an account. Clients must accept or reject Advisor's investment recommendations, including (1) the security being recommended, (2) the number of shares or units and (3) whether to buy or sell. Once these factors are agreed upon, Advisor is responsible for making decisions regarding the timing of the purchase or sale and the price at which it is bought or sold. Clients should know that if they are not able to be reached or are slow to respond to Advisor's request, it can have an adverse impact on the timing of implementing trades and Advisor may not achieve the optimal trading price.

### **Item 17 – Voting Client Securities**

It is the Advisor's policy to vote proxies on behalf of clients. For these purposes, the Advisor has engaged Broadridge Financial Solutions, Inc. ("Broadridge") and Proxytrust to handle proxy solicitations. If a client chooses to vote their own proxies, they should notify the Advisor in writing. Clients do not have the ability to direct the voting of the Advisor on a particular solicitation.

The Advisor acknowledges its responsibility for identifying material conflicts of interest related to voting proxies. In order to ensure that Advisor is aware of the facts necessary to identify conflicts, senior management of Advisor must disclose to the CCO any personal conflicts such as officer or director positions held by them, their spouses or close relatives, in any portfolio company. Conflicts based on business relationships with Advisor or related person of Advisor will be considered only to the extent that Advisor has actual knowledge of such relationships. If a conflict may exist which cannot be otherwise addressed by the CCO, Advisor may choose one of several options including: (1)

“echo” or “mirror” voting of the proxies in the same proportion as the votes of other proxy holders that are not Advisor clients; (2) if possible, erecting information barriers around the person or persons making the voting decision sufficient to insulate the decision from the conflict; or (3) if agreed upon in writing with the client, forwarding the proxies to affected clients and allowing them to vote their own proxies.

Clients may request documentation on how specific proxies were voted on their behalf at any time from Casey K. Dhande at (770) 859-0045.

#### **Class Actions**

Clients occasionally receive notices of class action settlements involving a security held in their portfolio, past or present. The client retains the right to file claims for class-action settlements. Advisor utilizes a third party to file class action settlement claims on managed positions. Filing is not guaranteed as this is not offered as a service provided under contract. Advisor will exercise best efforts to distribute any settlement distributions.

#### **Proof of Claims**

Generally, Advisor will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client’s account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If a client wishes to pursue such claims and requests Advisor’s assistance, these requests must be made in writing and with sufficient advance notice prior to the filing deadline.

### **Item 18 – Financial Information**

Advisor does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, Advisor is not required to include a balance sheet for its most recent fiscal year. Advisor is not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, Advisor has not been the subject of a bankruptcy petition at any time.