



**Firm Brochure**  
**Form ADV, Part 2A**

**March 29, 2024**

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This Firm Brochure (“**Brochure**”) provides information about the qualifications and business practices of Keel Point, LLC. If you have any questions about the contents of this brochure, please contact us at (256)704-5111. Our website is [www.keelpoint.com](http://www.keelpoint.com). Keel Point, LLC is a registered investment adviser with the United States Securities and Exchange Commission (“SEC”). Additional information about Keel Point, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

You can search the SEC website to find information about Keel Point, LLC by a unique identifying number known as a Central Registration Depository (“CRD”) number. Keel Point, LLC’s CRD is 127902. Registration of an investment adviser does not imply any level of skill or training. The information in this brochure has not been approved or verified by the SEC nor by any state securities authority.

## Item 2. Material Changes

This Material Changes section of the Brochure is a summary of specific material changes that have occurred since the Firm's March 31, 2023, update. Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. We will provide ongoing disclosure information about material changes as necessary.

The following items are considered to be material to our business. We have provided a description to highlight these items and encourage you to further review the detailed disclosures provided in our Brochure under the relevant section referenced.

Since the last annual amendment filing, Keel Point amended the following items in this brochure:

**Item 4: Advisory Business** to disclose: i) that as of Dec. 31, 2023, Keel Point has \$2,940,456,131 in regulatory assets under management.

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## Item 4. Advisory Business

### The Firm's History and its Owners

Keel Point, LLC was founded in 1998 and Blue Creek Investment Partners, LLC was founded in 2003 ("Blue Creek"). In January of 2015, Keel Point, LLC and Blue Creek merged and with each client's individual consent, assets managed by the Firm were assigned to the surviving Blue Creek entity; and that entity's name was changed to Keel Point, LLC (in addition to being referred to herein as "Keel Point", "KP" or the "Firm" the terms "our" or "us" or "we" may be used as well).

The Firm's home office is located in Huntsville, Alabama, with branch offices in Birmingham, Alabama; Leawood, Kansas; Brentwood, Tennessee; Chattanooga, Tennessee; Greenville, North Carolina; Milford, New Hampshire; and McLean, Virginia. Keel Point Partners, LLC ("KPP") owns the Firm as well as the following other affiliates: a) Keel Point Capital, LLC ("KPC"), a broker-dealer registered with the SEC and a member of FINRA and SIPC; b) Keel Point Insurance Advisors, LLC ("KPIA"), a licensed insurance agency; and c) Keel Point Personal Money Management, LLC ("KPPMM"), an investment adviser registered with the Alabama Securities Commission that primarily provides non-discretionary daily money management services for individuals. KPP may own other entities in addition to KP, KPC, KPIA, and KPPMM. KPP is owned by certain client-investors and members of the Firm's management team. Additionally, the Firm has a sub-advisor agreement with KP Convexity SLP, LLC ("KP Convexity"), a special purpose vehicle whose activities are limited to serving as a special limited partner of certain private funds in which the Firm serves as the aforementioned sub-adviser, for which the Firm receives fees for such advisory services.

KPP also owns both Keel Point Trading, LLC ("KPT") and Keel Point Asset Management Tactical Alpha Fund ("KPAM Tactical Alpha"). KPT serves as the general partner for KPAM Tactical Alpha.

In 2023 the Firm entered into a transaction whereby Edwards and Stewart transitioned from Granite to Keel Point, and with their clients' consent, the accounts that Edwards and Stewart managed for said clients were assigned from Granite to Keel Point.

Further detail of the Firm's ownership structure may be found in **Item 10: Other Financial Industry Activities and Affiliations**.

The Firm currently offers discretionary and non-discretionary investment advisory services, including providing financial planning, asset allocation, and portfolio construction recommendations, as well as managing client accounts across a range of asset classes and investments. At our core, we focus on delivering investment advisory services across a broad spectrum of clients, including individual wealth management and private client services, Family Office Services (as defined herein below), institutional services, including the construction and management of investment portfolios, and corporate financial services, including employee benefit and retirement plan services. **However, we do not offer tax, accounting, regulatory, or legal advisory services. You should seek outside counsel for these services.**

### The Advisory Services We Offer

The Firm offers clients a seamless combination of an open architecture investment platform with KPC, its broker-dealer affiliate, for a fully integrated wealth management offering. The Firm employs an open architecture investment platform to fulfill each client's investment strategy, which provides investment exposure to a full range of asset classes via mutual funds, exchange traded funds, options, structured financial products, and separate accounts managed by KPC or unaffiliated third parties. We also recommend investments in privately offered pooled investment vehicles, such as hedge funds, private equity funds or other similar vehicles for clients who are qualified to invest in those funds and for whom those investments are otherwise deemed to be appropriate.

Currently, the Firm offers its individual, institutional, and corporate clients discretionary and non-

discretionary investment advisory services primarily through one or more of the following service platforms:

- Keel Point Private Client Services. Investment advisory services for individuals and families;
- Keel Point Horizon (“Horizon”) Services. Family Office Services for ultra-high net worth families;
- Keel Point Corporate Services. Group retirement and benefits solutions for businesses; and
- Keel Point Asset Management. Outsourced chief investment officer and investment consulting services for institutions, foundations, endowments, and third-party investment advisers.

For each service platform, we gather information regarding client goals, investment objectives, and risk tolerance by conducting extensive interviews with our clients to determine each client’s risk profile and obtain the necessary information to enable us to construct a tailored investment program for each client.

As part of our investment advisory services, we monitor the performance of client portfolios against certain agreed upon benchmarks, assess the performance of any of our Sub-Advisers (as defined in **Item 5: Fees and Compensation**), and report results to clients through periodic meetings and quarterly investment reports.

A more detailed description of each service platform and the types of advisory services offered under each platform is provided below.

#### Keel Point Private Client Services

The focus of our Keel Point Private Client platform is providing investment advisory services for individuals and families, with an emphasis on developing strategic and tactical asset allocations for the needs of each of our clients. As appropriate, we utilize the services of Sub-Advisers or co-advisers to assist in the management of a portion of the client’s assets.

We develop strategic and tactical asset allocations for clients based on their financial plan. Client information not gathered during the financial planning process is obtained through further personal interviews. We assess the client’s risk tolerance, determine needs and objectives, and review the client’s current assets. Based on the results of this process, we will make recommendations for asset allocation, securities, products, or strategies, and/or the selection of money managers. Each client’s unique situation is taken into account to create and manage an investment portfolio, including the allocation of client assets among different asset classes such as equities, fixed income, mutual funds, exchange traded funds, hedge funds or other alternative investments. In all instances, we allocate client assets in accordance with the client’s investment objectives and risk tolerance in an effort to ensure our investment elections are suitable for the client.

Clients grant us full discretion, consistent with the parameters of the client’s investment objectives and risk tolerance, to manage and direct the investment of the client’s assets. Utilizing this authority, we will make investment decisions related to the client’s account by investing the assets in securities, strategies and other investments of the types consistent with the client’s investment objectives, assets available for investment, and risk tolerance based on personal, financial, and other information provided by the client to us, as such information may be modified or supplemented from time to time during the term of the client’s investment advisory agreement (“Investment Policy Statement”).

In a manner consistent with the client’s Investment Policy Statement and under the terms of the client’s investment advisory agreement, we have the authority to purchase a broad range of types of investments on the client’s behalf, without distinction between principal and income, including

mutual funds, exchange traded funds, private funds, hedge funds and other alternative investments. Under the terms of the investment advisory agreement, we have the authority to determine the asset allocation of the client's account assets and will allocate and, when appropriate, reallocate the account assets among investments and asset classifications consistent with the client's Investment Policy Statement.

Financial Planning Services. From time to time, as and when requested by the client, we will provide clients with financial planning or other financial consulting services. Financial planning includes advice on establishing investment goals, risk tolerance, retirement planning, individual retirement account and qualified plan distributions, college funding, business planning, estate and tax planning, insurance analysis, equity compensation, and charitable giving.

As part of our financial planning service offerings, we develop a financial plan for the client, which will address the client's goals and require us to gather the client's personal and financial data, perform an analysis of such data, perform financial modeling, meet with the client to define their goals and objectives, discuss recommendations, and monitor the financial plan to address changing circumstances, including life and goal changes and portfolio rebalancing. Each client's financial plan will include one or more of the following concepts:

- Examining the client's net worth, investment accounts (including asset allocation and repositioning recommendations), retirement accounts and plans, and insurance policies;
- Developing a financial position statement;
- Performing cash flow summaries;
- Maximizing tax strategies;
- Evaluating potential retirement scenarios;
- Performing an estate planning review,
- Constructing a recommend portfolio; and
- Engaging in education planning.

In developing a financial plan, we will provide the client with detailed investment advice and specific recommendations, but we will not exercise investment discretion or otherwise implement such advice or recommendations unless otherwise authorized to do so pursuant to the terms of the client's investment advisory agreement. In addition, there is no fee or charge for the financial plan, unless otherwise agreed upon by the client in writing.

We provide a range of customized Family Office Services, including discretionary and non-discretionary investment advice, to our ultra-high net worth Horizon families that engage us to manage multi-generational wealth. We address a family's personal, planning, business, and financial affairs in an integrated and coordinated manner by gathering information regarding client goals, investment objectives, and risk tolerance through personal meetings and discussions with clients, which include performing one or more of the following:

1. Initial Set-up. We obtain the necessary data and historical information from the client to provide Family Office Services, including reviewing legal agreements, assessing the client's overall estate plan, and onboarding the client in our family office platform.
2. Discovery Profile. Following the initial set-up, we perform The Discovery Profile process, which is designed to clarify the client's mission, vision, values, and goals, and which provides us with a basis for identifying the scope of Family Office Services required by the client.

3. Wealth Design. As necessary or as requested by the client, we will perform a wealth design review that focuses on the client's estate, income tax and philanthropic planning goals and objectives.
4. Family Office Project Special Services. From time to time and as requested by the client, we perform projects that are outside of the scope of our core Family Office Services, including management and private investment due diligence services, which include engaging and supervising attorneys, performing on site due diligence visits, analyzing, and reviewing investment documents and performing general due diligence on investment opportunities.

In addition to providing our family office clients with investment advisory services, our family office service offerings include providing clients with advice and recommendations involving wealth design services; estate settlement services; trust administration services; lifestyle management; investment management, including asset allocation and portfolio construction; financial planning; education; philanthropic services; tax- and insurance-related services, including tax planning and coordination of administration of the client's third-party accountants; private investment due diligence; and family coaching and mentoring. We are able to offer these comprehensive wealth management services by partnering with a select group of strategic partners.

Family Office Services often involve the performance of one or more of the following services:

1. Financial Services. We or one or more of our affiliates assist clients with creating a comprehensive financial plan, including developing financial goals, cash flow management, income tax planning, education funding, insurance analysis, debt review, multi-generational wealth planning, and estate planning.
2. Tax Services. We do assist our clients with tax planning, including interacting with client's tax advisors, in the areas of tax compliance, planning, management, risk management, controversy resolution, and impact on legacy and philanthropic objectives. **Although we assist our clients with such planning, we do not offer tax, accounting, regulatory or legal advisory services. Clients should seek outside counsel for these services.**
3. Generational Planning. In an effort to direct financial and non-financial decisions, we assist our clients with the creation and management of their complex estate plans.
4. Human Capital Services. We focus on educating succeeding generations within a family on a variety of topics, including financial literacy and education, mentoring, heir preparation and development, succession planning and family governance.
5. Philanthropic Services. We assist families with managing charitable giving, including structuring giving platforms such as family foundations, mission development, and organizational planning.
6. Reporting Services. We perform reporting services for clients on the portion of their assets that we do not manage. These reported assets are either managed by the client or a third-party investment manager but are included in our performance reports.

#### Keel Point Corporate Services

We provide fiduciary management and investment advisory services, and non-fiduciary education and consulting services, to a variety of retirement plan participants and plan sponsors, including group retirement plans, executive benefit plans, group health benefits, group and individual life insurance, group and individual disability insurance, and group and individual

long-term care insurance.

Non-Discretionary Retirement Plan Sponsor Consulting Services. In addition to providing investment advisory services to retirement plan participants and plan sponsors, we provide non-discretionary investment consulting services to plan sponsors of profit sharing 401(k) plans under Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). As a Section 3(21) investment adviser or non-discretionary adviser, we provide the plan sponsor with non-binding investment recommendations to the plans regarding fund options that are available to plan participants.

In providing these services, we do not (i) exercise investment discretion, management, or authority over the plan assets, (ii) maintain custody or control over client assets, or (iii) undertake responsibility for execution of trades or administration of the plan. In addition, we are not otherwise responsible for valuation, recordkeeping, or proxy voting. The plan sponsors are ultimately required to exercise their discretion to act upon the investment options recommended by us, with participants being responsible for any individual investment selections made under the plan.

Discretionary Retirement Plan Services. We offer full discretionary investment management services to retirement plan sponsors under Section 3(38) of ERISA. In the capacity as an “investment manager” under Section 3(38) of ERISA, and in exercising our authority as an “investment manager” with respect to plan assets, we perform the following services on behalf of the plan and the plan participants: (i) provide portfolio model allocations for retirement plans utilizing the available investment options under the plan; (ii) develop, manage, monitor and rebalance the portfolio model allocations in accordance with our model account management service methodology, as described in **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**; (iii) provide ongoing and continuous discretionary investment management to plan participants electing to invest their plan account assets in one of our portfolio model allocations based on the participant’s investment objectives, assets available for investment, and risk tolerance (the “Participant Profile Information”), including reallocation and rebalancing of participant plan accounts in accordance with our portfolio model allocations; (iv) conduct initial and on-going meetings with those plan participants electing to invest their plan account assets in one of our portfolio model allocations to obtain and update the Participant Profile Information, including advising each participant about the asset management process and the available portfolio model allocations that are suitable investment strategies; and (v) allocate assets of the plan participants among the plan’s approved investment alternatives and exercising discretionary investment management over participant accounts to diversify, reallocate and rebalance the account allocations of plan participants in accordance with our portfolio model allocations.

#### Keel Point Asset Management Services

Under our Keel Point Asset Management service platform, we work alongside institutions and other third-party investment advisers to help build and improve their investment portfolios and portfolio management processes. In this capacity, we serve as an outsourced chief investment officer (“OCIO”) for these clients.

The Firm’s OCIO investment management solutions are a natural extension of our traditional investment advisory practice. In our capacity as an OCIO services provider, we perform the following services:

- Investment Management:
  - Serve as an investment adviser to our clients’ management team and board of directors



- Source investment opportunities
- Perform due diligence on potential investment opportunities including investment manager due diligence and selection
- Conduct discretionary portfolio management
- Contribute intellectual capital including research, analytics, and market viewpoints in an effort to monitor investment performance
- Portfolio Management:
  - Perform portfolio construction and implementation including design of internal organizational and decision-making structures, automation of internal processes, and assistance with board or investment committee governance
  - Perform asset allocation modeling
  - Conduct asset sales or redemptions, including secondary sales of limited partnership interests
  - Perform strategic restructuring of client portfolios
- Implementation:
  - Develop customized investment solutions that satisfy each client's organizational challenges and needs
  - Conduct portfolio performance monitoring including evaluating portfolio investments for returns and diversification criteria
  - Develop investment policies consistent with each client's portfolio objectives
  - Support our clients' strategic investment mission
  - Assist our clients with educating and informing their employees of investment options and risks

Co-Investment Management Services Under the Keel Point Asset Management service platform, we offer qualified clients an opportunity to invest in certain funds or strategies in which we serve as a co-investment manager or sub-advisor. Under certain of these sub-advisor arrangements, our affiliate, KP Convexity, serves as a special limited partner for the purpose of receiving a performance-based profit allocation generated by certain private funds.

Consulting Services We also provide non-discretionary investment consulting services to clients, including investment supervisory services, asset management services, tax-related services, and trust services including estate planning. As noted above, Keel Point does not provide tax and legal advice and clients should contact outside legal and accounting professionals for such advice. Our investment consulting services also include consulting arrangements with third-party investment advisers, in which we assist the third-party investment adviser with the development of investment policy statements, model portfolio construction, risk analytics, model performance analytics, market views, investment recommendations and adviser training. Under these consulting arrangements, our services are limited to non-discretionary asset management or advisory services, with all discretionary authority remaining with the third-party adviser.

*Retirement Plan Sponsor Consulting Services.* Non-Discretionary Retirement Plan Sponsor Consulting Services. In addition to providing investment advisory services to retirement plan participants and plan sponsors, we provide non-discretionary investment consulting services to plan sponsors of profit sharing 401(k) plans under Section 3(21) of

ERISA. As a Section 3(21) investment adviser or non-discretionary adviser, we provide the plan sponsor with non-binding investment recommendations to the plans regarding the fund options that are available to plan participants. In providing these services, we do not exercise investment discretion, management, or authority over the plan assets, maintain custody or control over client assets, undertake responsibility for execution of trades or administration of the plan, and are not otherwise responsible for valuation, recordkeeping, or proxy voting. The plan sponsors are ultimately required to exercise their discretion to act upon the investment options recommended by us, with participants being responsible for any individual investment selections made under the plan.

***Discretionary Retirement Plan Services.*** We offer full discretionary investment management services to retirement plan sponsors under Section 3(38) of ERISA. In the capacity as an “investment manager” under Section 3(38) of ERISA, and in exercising our authority as an “investment manager” with respect to plan assets, we perform the following services on behalf of the plan and the plan participants: (a) provide portfolio model allocations for retirement plans utilizing the available investment options under the plan; (b) develop, manage, monitor and rebalance the portfolio model allocations in accordance with our model account management service methodology, as described in **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**, below; (c) provide ongoing and continuous discretionary investment management to plan participants electing to invest their plan account assets in one of our portfolio model allocations based on the Participant Profile Information, including reallocation and rebalancing of participant plan accounts in accordance with our portfolio model allocations; (d) conduct initial and on-going meetings with those plan participants electing to invest their plan account assets in one of our portfolio model allocations to obtain and update the Participant Profile Information, including advising each participant about the asset management process and the available portfolio model allocations that are suitable investment strategies; and (e) allocating assets of the plan participants among the plan’s approved investment alternatives and exercising discretionary investment management over participant accounts to diversify, reallocate and rebalance the account allocations of plan participants in accordance with our portfolio model allocations.

#### Qualified Opportunity Zone Funds

Certain qualified clients are permitted to invest in a third-party Qualified Opportunity Zone Fund that will provide those clients with exposure to the tax advantages provided by The Tax Cuts and Jobs Act of 2017, which established a tax-advantaged investment framework for certain types of investments in newly established Qualified Opportunity Zones within the U.S. The risks and benefits of investing in Qualified Opportunity Zones are provided in detail in the Fund’s Private Placement Memorandum.

#### Wrap Fee Program

Generally, a “wrap fee program” is a program where a firm “wraps” both the assets under management fees for advisory services and the per transaction fees for execution services into a single fee charged to the client (may also be referred to herein simply as a “Wrap Fee”). Under a Wrap Fee arrangement, a client’s fees are the same regardless of the number of transactions in an account. Conversely, in a non-wrap fee account, a client would pay an asset management fee and a separate transaction fee for transactions within the account. Wrap Fee Programs may be more expensive to clients where there is very little trading activity in the account, where a buy and hold strategy is applied, or where no or low transaction cost investments are utilized. Alternatively, a non-

wrap program may be more expensive if there is frequent trading activity in the account, if many transaction-based investments are utilized in the management of the account, or if there is frequent re-balancing of the account.

The Firm participates in and sponsors a certain wrap fee program, the *Granite Financial Wrap Fee Program* (the “Wrap Fee Program”). This allows Keel Point to manage client accounts for a single fee, that includes both portfolio management services and brokerage fees. Within the wrap program, the Firm will charge clients one fee, and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, however, clients should be aware that the Firm has an incentive to limit trading activities and/or select investments that may not have a transaction fee for those accounts since the firm absorbs those transaction fees. Under the Wrap Fee Program, KPC (the Firm’s affiliated broker-dealer) can serve as the broker-dealer to execute trading in the account, however, the client does have discretion to choose another broker-dealer. In those cases where the client chooses another broker-dealer, the client may have to pay a different fee, or may receive a different price for a security than other clients were charged for the same security. The Wrap Fee Program(s) offered by the firm include the following:

- **Granite Financial Wrap Fee Program**

In addition to the advisory services, the Wrap Fee Program includes certain brokerage services of Charles Schwab & Co., Inc. (“Schwab”) a broker-dealer registered with the SEC and a member of FINRA and SIPC. Our Firm is independently owned and operated and not an affiliate of Schwab. Schwab may act solely as a broker-dealer and not as an investment adviser to Wrap Fee Program clients. Schwab will have no discretion over your account and will act solely on instructions that it receives from our Firm or you as the client. Schwab has no responsibility for the Firm’s services and undertakes no duty to you, the client, to monitor the Firm’s management of your account or other services provided to you by the Firm. Schwab will hold the client’s assets in a brokerage account and buy and sell securities and execute other transactions when the Firm instructs Schwab to do so. The Firm does not open the account for you.

### **Level of Service Offered**

Our practice is to align each financial plan, investment program, and advisory service with the specific needs of the client. Clients are permitted to provide restrictions with regard to our ability to invest in specific securities or types of securities. Such restrictions are identified in the client’s Investment Policy Statement, which documents and outlines the client’s mission, vision, values and goals. We require each client to provide an Investment Policy Statement at the beginning of our relationship. A more detailed description of our approach to portfolio construction is in **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**.

### **Assets Under Management**

As of December 31, 2023, our firm had approximately \$2,940,456,131 in regulatory assets under management. We manage \$2,848,179,875 on a discretionary basis and \$92,276,256 on a non-discretionary basis.

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

### **Investment Management Services**

For the performance of investment management services, clients pay us periodic asset-based fees based on the average daily value of the assets maintained in the client’s account managed by us.

Clients may also pay a Wrap Fee under a Wrap Fee Program as discussed in the *Wrap Fee Program* section of *Item 4 Advisory Business* immediately herein above. That Wrap Fee would be calculated differently than asset based fees or Family Office Services fees.

The asset-based fees are based upon the average daily balance of the client's account for the preceding calendar quarter and are payable quarterly in advance at an annual rate as set forth in the fee schedule below. If our management of the client's account commences on a day other than the first business day of a calendar quarter, our billing of the asset-based fee will proceed from the date the account is opened with us for management and the asset-based fees will be prorated through the end of the quarter. Client will authorize us in their investment advisory agreement to direct the custodian to pay our asset-based fees directly from the client's account based upon a statement that we will send to the custodian. For securities with a readily verifiable market price, we rely on pricing provided by third-party custodians or other third-party administrators. If certain average daily values within the client account(s) are not readily available at the time the quarterly fee is due, we will use the most recent information received from investment managers, including manager estimates. We use other valuation methods to determine the market value of assets for other hard to value securities, including certain pooled investment vehicles, private investment vehicles and other illiquid investments, and held-away private investments. For instance, for pooled investment vehicle investments, such as hedge funds, that do not regularly report a per unit valuation, we use the most recently reported fair market value of the client's holding. A client's holding in other private investment vehicles and illiquid investments that do not regularly report a fair market value-based valuation will be valued by us at cost until the issuer notifies us of a different fair market valuation measure. Held-away private investments, the investment of which was directed by us, and which are subject to our investment management, will be valued by us based on a client-provided independent fair market valuation, and be included in computing a client's periodic asset-based fee. However, illiquid and held-away assets, the investment of which is not directed by us, are excluded in computing a client's asset-based fee. Instead, these securities will be billed a fixed fee ranging between \$500 to \$1,500 annually based on the level of service related to the security.

Client's asset-based fees are based on a percentage of the assets managed by us for which we provide investment management services as follows:

<b>Market Value of Assets</b>	<b>Annual Fee</b>
First \$1,000,000	1.35%
From \$1,000,000.01 to and including \$2,000,000	1.10%
From \$2,000,000.01 to and including \$5,000,000	0.85%
From \$5,000,000.01 to and including \$10,000,000	0.70%
From \$10,000,00.01 to and including \$25,000,000	0.50%
\$25,000,00.01 and above	0.30%

Our asset-based fees apply to all assets in the client's account, including assets invested in mutual funds, money market mutual funds, exchange-traded funds, collective investment funds, common trust funds, pooled investment funds or similar funds. Client assets invested in such funds may also be subject to additional fees and expenses charged by the fund. However, we will exclude from

our computation of the asset-based fee any illiquid and held-away assets, the investment of which was not directed by us. Clients are responsible for verifying the asset-based fee computations; provided, however, the custodian will send each client a monthly statement showing all amounts paid from the account, including all management fees paid to us by the custodian.

We reserve the right to discount or waive any fees associated with a client's account in our sole discretion. If applicable, any changes to the fee schedule that occur during a quarter will be effective as of the first day of the next quarter.

**Householding.** Clients maintaining multiple accounts with us will be permitted to aggregate the balances of their accounts for purposes of determining the client's total assets for calculating their asset-based fees.

**Account Termination.** The client has the right to terminate the investment advisory agreement without penalty within five business days after entering into the agreement with us. In addition, either the client or us has the right to terminate the agreement at any time upon 30 days' advance written notice. We will have no responsibility to monitor the securities or other investments in an account that was terminated; nor will we have any obligation to liquidate the securities or other investments in the terminated account. Upon termination of the investment advisory agreement, fees will be prorated up to and including the date of termination and we will refund to the client any unearned prepaid fees.

### **Wrap Fee Program**

The Wrap Fee Program allows Keel Point to manage client accounts for a single fee, that includes both portfolio management services and brokerage fees. Within the wrap program, the Firm will charge clients one fee, and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, however, clients should be aware that the Firm has an incentive to limit trading activities and/or select investments that may not have a transaction fee for those accounts since the firm absorbs those transaction fees. Under the Wrap Fee Program, KPC (the Firm's affiliated broker-dealer) can serve as the broker-dealer to execute trading in the account, however, the client does have discretion to choose another broker-dealer. In those cases where the client chooses another broker-dealer, the client may have to pay a different fee, or may receive a different price for a security than the other clients were charged for the same security.

**Schwab's Brokerage Services** In addition to the advisory services, the Wrap Fee Program includes certain brokerage services of Charles Schwab & Co., Inc. ("Schwab") a broker-dealer registered with the SEC and a member of FINRA and SIPC. Our Firm is independently owned and operated and not an affiliate of Schwab. Schwab may act solely as a broker-dealer and not as an investment adviser to Wrap Fee Program clients. Schwab will have no discretion over your account and will act solely on instructions that it receives from our Firm or you as the client. Schwab has no responsibility for the Firm's services and undertakes no duty to you, the client, to monitor the Firm's management of your account or other services provided to you by the Firm. Schwab will hold the client's assets in a brokerage account and buy and sell securities and execute other transactions when the Firm instructs Schwab to do so. The Firm does not open the account for you.

**Fees and Compensation** The firm will charge a single asset-based fee for services covered by the Wrap Fee Program. Billing of fees is in arrears or in advance as memorialized in the Firm's advisory contract with each client. Fees are deducted from clients' assets or clients are billed for fees incurred, as mutually agreed upon by the Firm and the client. Fees are paid monthly or quarterly in advance, depending on the terms of the client's specific advisory agreement. The monthly fee calculation is based upon the value of the client's account at the end of the previous month after adjustments for contributions and withdrawals of funds in the client's account. Initial and ongoing contributions during a billing period will be charged a prorated advisory fee for the days from inception to the end of the billing period based on the inception value. For distributions during the billing period, a portion of the fee will be refunded to the Client based on the number of days remaining in the billing period and the distribution value.

Clients may terminate an advisory agreement. If an account is terminated in the middle of a billing period, a portion of the fee collected in advance will be refunded in an amount equal to the balance of the fees collected in advance minus the prorated fee based on the number of days elapsed in the billing period up to and including the day of termination. Clients may terminate their contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract within thirty days' written notice. The fee schedules to be charged for the Wrap Fee Program are listed immediately below:

<b>Market Value of Assets</b>	<b>Annual Fee</b>
The first \$5,000,000	1.00%
From \$5,000,000.01 to and including \$15,000,000	.70%
From \$15,000,000.01 to and including \$25,000,000	0.40%
From \$25,000,000.01 and above	0.25%

For clients that transition to the Firm due to their advisor joining the Firm, previously contracted fee schedules will be honored, when possible. This should be the case for clients transitioning from Granite Financial Partners, LLC, whose investment adviser representatives have joined the Firm as of 2023.

**Fees the Firm Pays Schwab** In addition to compensating the Firm for advisory services, the Wrap Fee paid by you, the client, to the Firm allows the Firm to pay for brokerage and executions services provided by Schwab. The Firm pays Schwab transaction costs for each executed trade in the Wrap Fee Program accounts. As a result, the Firm may have a financial incentive to limit orders for Wrap Fee Program accounts because trades increase the Firm's transaction costs. Thus, an incentive exists to trade less frequently in a wrap fee program.

**Contribution Cost Factors – Relative Cost of Wrap Fee Program** A wrap fee is not based directly on the number of transactions in the client's account(s). Various factors influence the relative cost of the Firm's Wrap Fee Program to you, including: i) the cost of the Firm's investment advice; ii) custody and brokerage services if you purchase them separately; iii) the types of investments held in your account; and iv) the frequency, type and size of the trades in your account. The Wrap Fee

Program could cost you more or less than purchasing the Firm's investment advice and custody / brokerage services.

**Additional Fees and Expenses** Our Wrap Fee covers our advisory services, and the brokerage services provided by Schwab (including custody of assets, equity trades, and ETFs). Although this generally may provide us with an incentive to not trade your account, it does provide the firm with an incentive, when the account is actually traded, to execute transactions for your account at Schwab versus other custodians.

The Firm's Wrap Fee Program does not include the fees and costs listed below. The fees and costs below may apply to transactions in your account. Additional fees and costs not included in the Wrap Fee Program that clients will pay include:

1. Commissions and other fees charged by broker-dealers other than Schwab for transactions in your account if the Firm uses Schwab's Prime Brokerage or Trade Away Services. Because you will pay the Firm's Wrap Fee in addition to any charges paid to broker-dealers other than Schwab (or KPC), the Firm has an incentive to execute transactions for your account through Schwab (or KPC). However, as discussed in more detail in our Brokerage Practices (hereinbelow) the Firm considers various factors in our best execution analysis and may trade at another broker-dealer (like KPC but not limited only to KPC) if the Firm believes that it can obtain better execution for you.
2. Fees charged by mutual fund companies, closed-end funds, ETFs, and other collective investment vehicles, including but not limited to, sales loads and/or charges and short-term redemption fees.
3. Markups and markdowns, bid-ask spreads, and selling concessions in connection with transactions that Schwab executes as principal. Principal transactions contrast with transactions in which Schwab acts as your agent in effecting trades. Markups and markdowns and bid-ask spreads are not separate fees but are reflected in the net price at which a trade order is executed.
4. Fees imposed by third-parties such as transfer taxes, odd-lot differentials, certificate delivery fees, reorganization fees, and other fees required by law. Schwab may also charge for additional services such as wire transfer fees and fees for alternative investments.

**Conflicts Presented by Additional Compensation Received by the Firm and its Personnel** By receiving the type of compensation described herein above, the Firm and our employees have a conflict of interest, because such compensation provides an incentive to recommend or direct clients to invest in securities when other products may be more appropriate. We address this conflict by the following:

- i Due Diligence Determination: We perform due diligence on all potential investments, to determine whether an investment is appropriate for our clients without regard to any compensation that we or our representatives earn.
- ii Conflict Protocol Policy: When we identify a conflict of interest, such as those described above, we bring such conflicts to our Conflicts Resolution Committee ("CRC"), formerly known as the Conflicts Advisory Committee. The CRC protocol is outlined in detail in Appendix A - "Other Conflicts, Risks and Mitigation."

**Compensation of Client Participation** Neither the firm, nor any of its representatives receive any additional compensation beyond advisory fees for the participation of clients in the Wrap Fee Program. However, compensation received may be more than what would have been received if the client paid separately for investment advice, brokerage, and other services. Therefore, the Firm

may have a financial incentive to recommend the wrap fee program to clients.

### **Family Office Services**

In addition to the asset-based fees we receive for performing investment management services, clients receiving Family Office Services will be subject to additional fees based upon the levels of services performed. Fees for providing Family Office Services outside of the performance of investment advisory or investment management services are based upon the nature of work or scope of services, the sophistication of the services provided, the professional level of personnel required, the resources required for performing such services, and are charged on an annual fixed fee, hourly or project basis. Family Office Services fees are determined on a case-by-case basis and will be agreed upon by the client and us, in writing, and described in the client agreement. Annual family office fees are payable quarterly in advance, and project fees are payable per the terms of the project including in advance, in installments or at completion of the service. The following is a summary of the range of fees that we charge clients for providing Family Office Services:

1. **Initial One-Time Set-up Fee.** Subject to the complexity of the client's financial structure, the set-up fee ranges from \$20,000 to \$75,000.
2. **Discovery Profile Fee.** Subject to our discretion to waive all or a portion of the fee based upon the level of Family Office Services provided, we charge a minimum fee of \$7,500 for The Discovery Profile.
3. **Annual Family Office Fee.** Subject to the scope of the services provided and the complexity of the client's financial structure, annual fees range from \$25,000 to \$400,000. The Annual Family Office fee will be payable quarterly, in advance, and is deemed to be provided under an annual retainer contract. Therefore, unless the client terminates such services, the annual retainer contract will renew annually and shall be subject to a 5% annual fee increase.
4. **Family Office Project Special Services Fee.** Fees for our performance of Family Office Project Special Services are determined on a case-by-case basis and are either based upon agreed upon hourly rates or a fixed contract price.
5. **Financial Plan.** The fees for preparing a wealth strategy plan on behalf of a client ranges from \$10,000 to \$100,000. Additional financial planning fees will be charged on either a fixed fee or hourly rate basis and will vary based upon the client's needs and the scope of services provided.
6. **Management and Due Diligence Services.** Fees for management and due diligence services are determined on a case-by-case basis and are either a fixed fee or agreed upon hourly rates.
7. **Hourly Rates.** Fees for providing other Family Office Services are determined on a case-by-case basis and agreed upon by us and the client in writing in advance and will be based upon the nature of work or scope of services, the sophistication of the services provided, the professional level of personnel required, and the resources required for performing such services. Such services will be performed in accordance with the following hourly rates or as otherwise agreed upon by us and the client in writing.

Chairman	\$720
Senior Family Wealth Director	\$500



Family Office Counsel	\$500
Family Office Tax Accountant	\$415
Family Wealth Manager / Advisor	\$415
Senior Family Office Associate	\$275
Family Office Associate	\$200
Family Office Administrator	\$130

We may, in our sole discretion, adjust these hourly rates based on other fees already paid by the client, the level of other services being performed by us on behalf of the client, or as we determine from time to time.

### **Financial Planning Services**

To the extent that we are providing a client with investment management services, other than charging the asset-based fee and fund-related compensation, if any, we do not charge for financial planning services. However, if we are providing the client with financial planning and consulting services only, we will charge the client an agreed upon hourly or flat rate fee for such services, which will be determined based upon the facts and circumstances of the client's financial situation and the complexity of the financial plan or service requested.

### **Grandfathering of Fee Arrangements**

In limited circumstances, clients with accounts that were in place before the current fee schedule are charged fees in accordance with the fee schedule in effect at the time the client entered into the advisory relationship with us and in accordance with the terms of their investment advisory agreement.

### **Other Fees and Charges**

In addition to the investment management fees and family office fees paid to us, clients will incur other fees, charges and expenses based upon the investments that we or the clients select. Such additional fees, charges and expenses include:

**Brokerage Commissions, Custodian Fees and Other Transaction Fees** Clients must establish an account with: i) Fidelity's Institutional Wealth Services, a division of Fidelity Brokerage Services LLC ("**IWS**"); ii) Charles Schwab & Co, Inc. ("**Schwab**"), a broker dealer registered with the SEC and a member of FINRA and SIPC; or iii) another third-party custodian designated by the client and approved by us. Generally, clients with accounts at IWS or Schwab do not pay any brokerage commissions. For clients with accounts at a custodian other than IWS or Schwab, all brokerage commissions, custodial fees and service charges, stock transfer fees and other similar charges incurred in connection with transactions for the client's account will generally be paid out of the client's assets held at the custodian.

In addition, as described in this **Item 5: Fees and Compensation**, clients participating in certain programs, such as a wrap fee program, may incur applicable fees, commissions, charges and other charges or expenses associated with the transactions within the client's account, including brokerage commissions, transaction charges, exchange fees, wire transfer charges, transfer taxes, odd lot differentials, non-activity fees, electronic fund processing fees and other related expenses.

Clients investing in alternative investments are responsible for any associated custodial fees. In addition, certain of our investment adviser representatives also serve in the capacity as

registered representatives of our affiliated broker-dealer, KPC, and may receive 12b-1 fees. See **Item 12: Brokerage Practices**, below, for additional information on our brokerage practices.

**Mutual Fund, Exchange-Traded Funds and Pooled Investment Vehicles Fees and Expenses**

Fees paid for our advisory services are separate from and in addition to the fees and expenses that are charged to clients by mutual funds, exchange-traded funds, or other pooled investment vehicles. Clients invested in these funds or investment vehicles are required to pay all fees and expenses applicable to investment in the funds or investment vehicles. These fees are described in each fund's or pooled investment vehicle's prospectus or offering documents and generally include a separate management fee (sometimes referred to as an expense ratio), fund expenses, and distribution fees. Clients are also solely responsible for additional charges imposed by third parties incurred in connection with investments in mutual funds, exchange-traded funds or other pooled investment vehicles, which include, but are not limited to, management fees, 12b-1 and sub-transfer agent fees, administrative service and similar fees, transfer taxes, transaction fees, deferred sales charges, and redemption fees.

Annual fund management fees charged by third party fund managers generally range from 1% to 2%. However, certain funds that we invest the client's assets in invest in other funds (referred to as a "fund of funds"). Clients that invest in fund of funds also bear a proportionate share of the fees and expenses of each underlying investment fund. Certain managers of funds in which we invest also charge performance fees, which typically range from 5% to 20% or more of the fund's annual net profits. These fees reduce the client's returns.

In addition, certain clients that are invested in pooled investment vehicles pay higher or lower fees than similarly situated clients that are invested in the same pooled investment vehicle. The amount of fees varies as a result of negotiations or other factors, including the particular circumstances of the client, the size and scope of the overall relationship, or as otherwise agreed with specific clients.

**Insurance Fees and Expenses** From time to time, we exercise our discretionary investment management authority to purchase on behalf of clients' private placement variable annuity or private placement life insurance products from third party insurance providers. If we purchase such insurance products for a client's account, the client will incur a management fee from the third party insurance provider, which fee is separate from and in addition to the asset-based fee that we charge clients for performing investment management services. However, we will reduce the client's asset-based fee by the amount of the management fee paid to the third party insurance provider so that the client does not pay any additional fees in connection with our decision to purchase such insurance products.

**Separately Managed Account Program Fees** For client assets invested in the separately managed account program, clients are charged a single management fee based on the amount of assets under management, which fee is inclusive of all costs and fees for investment management services, brokerage services and custodial services. The management fee for the separately managed account program is payable quarterly in advance based on the average daily balance of the client's account for the prior calendar quarter. Upon termination of the investment advisory agreement governing the investment of the client's assets in a separately managed account program, the management fee will be prorated up to and including the effective termination date and any unearned portion of the prepaid management fee will be refunded to the client.

**Sub-Adviser Fees** In certain instances, we delegate some or all of our investment authority to, or otherwise use the services of, third-party investment advisers, investment sub-advisers, investment managers, investment sub-managers and investment consultants (collectively, "Sub-Advisers") to help manage a portion of the client's assets. The client is responsible for paying

any fees charged by Sub-Advisers, which fees are separate from and in addition to the asset-based fees paid to us for performing investment advisory services. If we retain a new or replacement Sub-Adviser, we will inform the client of the fees payable to any such new or replacement Sub-Adviser within a reasonable time after the effective date of such retention or replacement. Pursuant to the terms of our investment advisory agreement, clients authorize the custodian to deduct any Sub-Adviser fees directly from the client's account based upon a statement sent by the Sub-Adviser to the custodian. In some instances, Sub-Advisers will invoice us for such fees, and we will request that the custodian deduct the Sub-Adviser fee directly from the client's account for further remittance to the Sub-Adviser.

Fee Sharing Arrangements In limited circumstances, we will enter into fee sharing arrangements with other investment managers in connection with certain designated funds for which we assist the investment managers in the development and financial seeding of the funds. Under the terms of these arrangements, we are compensated for our role in growing the designated funds through both a primary fee split arrangement and, as the aggregate net management fees of a fund attain certain specified levels, a secondary fee split agreement. As with other pooled investment vehicles, we also earn investment advisory fees or other fund-related fees based on clients that the third-party investment managers refer to us.

Co-Investment Management Fees In the case of the investment management services we provide under co-investment management or sub-advisor arrangements, we are compensated based on a percentage of the assets co-managed by us and our co-investment manager. In addition, under certain of these arrangements, our affiliate, KP Convexity, is entitled to a performance-based profit allocation based upon the performance of certain private funds, which performance-based profit allocation will be remitted by KP Convexity to us in its entirety in exchange for our performance of the supervisory support services. Accordingly, there is a financial incentive for us to recommend our co-investment managers over other third-party investment advisers who do not have an agreement with us. Similarly, there may be other third-party investment advisers and/or programs that could provide similar services to clients at a lower cost. We carefully discuss this potential conflict with each client so that the client can make an informed decision on whether to invest in any co-investment strategies.

Compensation for the Sale of Mutual Funds and Other Pooled Investment Vehicles The Firm and our financial advisors receive compensation for the sale of certain mutual funds and other pooled investment vehicles to clients. Such compensation creates an incentive for us and our financial advisors to recommend such investments based on the compensation received. As discussed above, the Firm or our affiliates receive shareholder service or 12b-1 fees from mutual funds as compensation for distribution and administrative services in connection with the sale of such products. Our recommendation of mutual funds and other investments where we share in the fees and profits result in additional compensation to us and our financial advisors. In such arrangements, payments to us generally increase as the amount of assets invested by clients in such mutual funds and other investments increases. This arrangement creates an incentive for us to recommend or select mutual funds or other investments that are advised, managed, or sponsored by us. All of these fees, which range from 10 to 25 basis points, are disclosed in the prospectus or other offering document. Under no circumstances will we recommend funds where we receive a commission or front-end or contingent deferred sales charge.

Research and Development Costs As noted herein, clients that invest in mutual funds, exchange-traded funds or other pooled investment vehicles will bear the expenses of the particular fund or vehicle. We may, however, in our capacity as investment manager or co-manager to the fund or vehicle, be reimbursed from the fund or vehicle certain expenses

incurred by us in connection with research and due diligence performed by our principals and employees. Reimbursement will be at a fixed annual rate and will be disclosed to clients. Such expenses would have otherwise been borne by us if the assets were managed outside the funds. This creates a conflict of interest for us to encourage clients to invest in the funds. To address this conflict of interest, we have policies and procedures for reviewing and supervising investment recommendations to ensure that all recommendations are suitable for the client.

**Consulting Services Fees** From time to time, we enter into consulting arrangements in which, for a mutually agreed upon fee, we recommend Keel Point products and strategies based upon the client's needs and objectives, including the selection and monitoring of investments made by the Keel Point Distressed Access Fund. The payment of consulting services fees is separate from and in addition to any fees that we receive for other services or products.

With respect to our performance of consulting services on behalf of the Keel Point Distressed Access Fund, we develop or have pre-existing business or personal relationships with certain underlying fund managers, underlying funds and/or their principals, employees, or investors. These relationships and any actual or perceived benefits accruing to the Firm can influence the selection of the underlying fund managers and underlying funds in which the Keel Point Distressed Access Fund invests. However, the general partner, in its capacity as manager of the Distressed Access Fund, and not us, has the legal authority to choose the underlying fund managers and underlying funds. In addition, our affiliated broker-dealer, KPC, will receive a portion of the management fee paid by certain limited partners of the Distressed Access Fund that are introduced by KPC, with such fee ranging from 20 to 25 basis points per annum.

Notwithstanding that the consulting service fee and the management fee from those limited partners are generated by separate and distinct investor asset bases, the receipt by us and our affiliated broker-dealer, KPC, of a consulting service fee and a portion of the management fee from certain limited partners of the Distressed Access Fund are an incentive to launch the Distressed Access Fund due to the potential benefit of remuneration. In addition, the receipt of compensation paid to us, and our affiliates can influence our recommendation of the Distressed Access Fund to our clients over other funds, collective investment vehicles or programs offering similar strategies, even if such other funds, vehicles, or programs are offered for lower fees or have better performance results, or both.

### **Prepaid Fees**

The majority of our investment advisory agreements, including our Family Office Services agreements, requires clients to pay for our investment advisory services quarterly in advance. Clients, however, have the right to terminate their investment advisory agreements without penalty within five (5) business days after entering into the agreement. In addition, either party has the right to terminate the agreement at any time upon thirty (30) days' advance written notice to the other party. Upon termination of the investment advisory agreement, fees paid in advance will be prorated up to and including the date of termination and any unearned portion will be refunded to the client.

However, reporting services fees, certain Family Office Services fees and, in limited circumstances, investment advisory fees, are charged in arrears. Upon termination of any such agreements, we will calculate the fees due and payable up to and including the date of termination and deduct such fees from the client's account.

### **Other Compensation**

We act as investment adviser to certain pooled investment vehicles such as private investment funds, hedge funds, and private equity funds in which we may invest client assets ("Keel Point Sponsored Vehicles"). In addition, we may also invest client assets in pooled investment vehicles where Keel

Point is not the controlling investment manager, but in which we have an economic interest (“Economic Interest Vehicles”). In most cases, these entities are created to meet certain minimum investment requirements of hedge funds, private equity funds and other similar fund investments that we have determined would be suitable for clients. We or an affiliate receive a portion of the management fees, performance fees, or both, charged by the underlying funds or separate account manager.

In certain limited circumstances, we charge an additional management fee, performance fee, or both, to clients related to investment in Keel Point Sponsored Vehicles and Economic Interest Vehicles that is separate from and in addition to the fees charged by the underlying funds. However, in those cases, we do not share in the management fee or performance fee of the underlying fund. In all instances, however, clients will be charged our standard investment advisory fee for management of the client’s assets. These fee arrangements are disclosed in the relevant offering documents provided to clients and clients are required to consent to such arrangements.

#### **Conflicts Presented by Additional Compensation Received by the Firm and its Personnel**

By receiving additional compensation, we and our employees have a conflict of interest because such compensation provides us with an incentive to recommend or direct clients to invest in these securities when there could be other more appropriate products. We address this conflict by performing a due diligence determination and adhering to our conflict policy.

In the event that we determine that the investment in a Keel Point Sponsored Vehicle or Economic Interest Vehicle is appropriate for any of our ERISA or individual retirement account clients, we or our affiliates may receive fees in accordance with the terms of ERISA Class Prohibited Transaction Exemption (“PTE”) 77-4, issued by the U.S. Department of Labor. For purposes of complying with PTE 77-4, we will invest the assets of ERISA or individual retirement account clients in Keel Point Sponsored Vehicles based on our determination that such investment vehicles are appropriate for the client’s investment objectives, risk tolerance, liquidity, and diversification goals. In addition, ERISA and individual retirement account clients investing in Keel Point Sponsored Vehicles or Economic Interest Vehicle will not be charged any sales commissions (including 12b-1 fees) or undisclosed redemption fees, and the clients will not be charged both an investment advisory fee and a management fee for its investment. We avoid charging these clients both investment advisory and management fees by either waiving our account-level investment management fee or charging the client an account-level fee but then providing a credit to the client for the client’s pro rata share of investment advisory fees paid to us by the Keel Point Sponsored Vehicle or Economic Interest Vehicle.

#### **Other Options for Clients**

In lieu of purchasing investment vehicles in which we have a conflict of interest, clients have the option to purchase other securities products that we recommend through non-affiliated brokers or agents. These products would generally be publicly traded equity and fixed income securities, mutual funds, exchange traded funds, and private pooled investments.

#### **Disclosure Regarding Compensation Received by the Firm and its Personnel**

None of the Firm’s revenue is from commissions and other selling compensation. However, certain of our employees are also registered representatives of our affiliated broker-dealer, KPC, and, in such capacity, receive selling compensation as described in this **Item 5: Fees and Compensation**.

#### **Reduction of Advisory Fees for Commissions or Markups**

In certain limited instances, such as in the case of ERISA clients, we reduce our investment advisory fees to offset any 12b-1 fees that we receive. However, under no circumstances do we charge ERISA

or individual retirement account clients both investment advisory fees and commissions or other selling compensation. In addition, we do not generally receive any markups.

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

Except under limited circumstances and only when authorized pursuant to the terms of the client's investment advisory agreement, we do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) for individual clients. Where the client and us agree to a performance-based fee arrangement, the terms of such arrangement is reflected in the client's investment advisory agreement. However, as described in **Item 5: Fees and Compensation**, we, or our affiliate, KP Convexity, receive performance-based fees or allocations related to performance for certain fund investments made by the Firm's clients that invest in affiliated investment fund vehicles as described in **Item 10: Other Financial Industry Activities and Affiliations**. These payments are subject to Section 205(a)(1) of the Advisers Act, in accordance with the available exemptions thereunder, including the exemption set forth in Advisers Act Rule 205-3, which requires that performance-based fees only be charged to "qualified clients" (as such term is defined in Rule 205-3).

These fund investments create a conflict of interest because the additional compensation we receive provides an incentive for us to direct qualifying clients to invest in such fund investments based on our potential to receive a performance-based fee separate from and in addition to the asset-based fee we charge clients for managing their accounts, when another strategy or investment that does not pay a performance-based fee would be more appropriate. In addition, performance-based compensation provides us with an incentive to recommend a particular investment, when a lower risk investment that does not have a performance-based fee would be more appropriate.

We address this conflict by (1) analyzing whether a product is appropriate for a client without regard to whether we, or an affiliate, earn additional compensation for the transaction, (2) ensuring that alternative investments (including affiliated investment fund vehicles) are suitable for each client, (3) ensuring that these investments are long-term investments for which the Firm generally does not receive an ongoing management fee, (4) assessing if the terms of the affiliated investment vehicles are reasonable in comparison to other similarly structured third-party investment alternatives, and (5) providing clients with clear disclosure as to how the performance-based fee is calculated.

## **Item 7. Types of Clients**

We provide services to the following types of clients:

- Individuals, including high net worth individuals
- Pension and corporate retirement plans
- Trusts, estates, and charitable organizations
- Corporations or other business entities
- Family offices

### **Minimum Account Size and Account Opening Requirements**

*Core Portfolio Strategies Program.* The minimum account size is \$50,000, but in some cases, we are willing to accept a lower minimum.

*Standalone Tactical Program.* The minimum account size \$150,000, but in some cases, we are willing to accept a lower minimum.

We have full discretion to allow or not allow exceptions for minimum account size requirements.

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

### **Methods of Analysis**

We provide investment advisory services to clients based on the individual needs, goals and objectives of each client. We use a team-driven fundamental and quantitative process to create diversified long-term and tactical portfolios which meet clients' personal investment goals and objectives within the constraints of their risk tolerance, liquidity needs, time horizons, tax situations and investment restrictions.

We develop strategic and tactical asset allocations for clients based on analysis of short-term and strategic macro and microeconomic themes. Various methods of quantitative modelling are used to assure client portfolios are within predefined risk tolerances. We recommend, when deemed appropriate, Sub-Advisers for the management of a portion of client assets and, occasionally, co-advisers. We base these recommendations on a rigorous analysis of a wide universe of available managers. We evaluate managers' track records using robust statistical analysis and managers' skill based on a multi-step qualitative examination.

We assist clients in determining the appropriate asset allocation to achieve their investment objectives and then direct client assets into various investment vehicles, as appropriate, including, but not limited to: (i) individual securities; (ii) investment company securities (i.e., mutual funds); (iii) fund investments; and (iv) Keel Point Sponsored Vehicles. In addition, the Firm advises clients on where best to locate these investment vehicles, whether in qualified or non-qualified accounts, and how to most effectively transition from their current portfolio to a recommended target portfolio.

As part of the investment advisory services, the Firm also creates and manages various strategic investment portfolios and programs designed to achieve specified investment objectives within predefined risk parameters. A portion of client portfolios can be allocated to one or more of these investment strategies if the related allocations are deemed to be consistent with client investment objectives and risk tolerances. In some cases, the Firm will recommend that a substantial portion of a client's investment portfolio be allocated to one strategic investment portfolio. The Firm monitors the performance of all client portfolios, including the performance of the recommended investment vehicles.

In addition to our qualitative research and quantitative tools, we use many other sources of information for evaluating portfolio performance include Bloomberg, news services, general economic, market and financial information, financial newspapers, third party research materials, inspection of corporate activities, prospectuses, and Securities and Exchange Commission filings.

### **Investment Strategies**

All of our Programs use statistical modeling in an effort to ensure that each of the portfolios represented in the various Programs stays within defined risk parameters associated with the designated strategic investment objectives for each portfolio. In addition, the investment framework used for each Program offers each of the portfolios in the Program the latitude to be periodically overallocated to specified market segments that are performing well and defensively repositioned during periods of prolonged market stress.

**Core Portfolio Strategies Program.** The Firm manages four portfolios of equity, fixed income, and alternative investments within its Core Portfolio Strategies Program. These investments are either exchange traded or traded at NAV on a daily basis and generally provide passive exposure to market segments. The four portfolios in this Program have different asset allocations designed to achieve different investment objectives and levels of risk. The portfolios are consistently

positioned in diversified equity, fixed income, and alternative investment exposure consistent with predefined risk parameters.

**Fund Strategies Program** The Firm manages four portfolios of equity, fixed income, and alternative investments within its Fund Strategies Program. These investments are either exchange traded or traded at NAV on a daily basis and include both active and passive exposure to market segments. The four portfolios in this Program have different asset allocations designed to achieve different investment objectives and levels of risk. The portfolios are consistently positioned in diversified equity, fixed income, and alternative investment exposure consistent with predefined risk parameters.

**Multi-Asset Program** Under the Firm's Multi-Asset Program, we manage four portfolios of equity, fixed income, and alternative investments. These investments are either exchange traded or traded at NAV on a daily basis and include both active and passive exposure to market segments. The four portfolios have different asset allocations designed to achieve different investment objectives and levels of risk, as well as tactical allocations that reflect recent market trends and market volatility. With respect to each portfolio, generally 75% of the portfolio is consistently positioned strategically in diversified equity, fixed income, and alternative investment exposure consistent with predefined risk parameters, and up to 25% of the portfolio is invested in tactical allocations, which are actively repositioned within targeted sectors of the capital markets exhibiting relative performance strength. Potential tactical allocations are identified using both internal and external quantitative models, as well as the Firm's qualitative assessment of global capital markets. The Multi-Asset Program is designed to experience higher turnover than the Funds Strategies Program. Depending on market conditions, the tactical feature within the Multi-Asset Program can lead the portfolios in the Program to have significantly different risk characteristics than the Fund Strategies Program.

**Standalone Tactical Program** Under its Standalone Tactical Program, the Firm manages a tactical portfolio that reflects recent market trends and market volatility, which is actively repositioned within targeted sectors of the capital markets exhibiting relative performance strength, with the identification of potential tactical allocations occurring using both internal and external quantitative models and the Firm's qualitative assessment of global capital markets. The Program is designed to experience higher turnover than our other investment programs. Depending on market conditions, the portfolio utilized under this Program can have risk characteristics that are significantly different from our other investment programs.

**Keel Point Advisor Strategies Program** The Firm manages four portfolios of equity, fixed income, and alternative investments within its Advisor Strategies Program. In addition to investments that are exchange traded or traded at NAV on a daily basis, the Advisor Strategies Program can use investments that cannot be sold daily (e.g., structured notes and interval funds). The four portfolios used in this Program have different asset allocations designed to achieve different investment objectives and levels of risk. Each of the portfolios is consistently positioned in diversified equity, fixed income, and alternative investment exposure consistent with predefined risk parameters.

**Customization** We offer clients the ability to make some customizations to certain of the investment programs described above. Other than the Standalone Tactical Program, all of our programs can be run with equity allocations in our Global sleeve, where baseline regional exposures follow a global equity index prior to any tilts we implement, or our U.S. Centric sleeve which uses a blend of a global and U.S. equity index. The Core Program can be modified to include equity investments with a socially responsible or Biblically responsible investment process. The bond investments in Core and Fund Strategies can be replaced with a municipal bond manager sleeve or a bond ladder.



## **Material Risks Associated with Our Investment Strategies**

All investments in securities and investment programs have certain risks that are borne by the investor, including a risk of loss of an investor's principal and any profits that have not been realized. Our investment approach constantly keeps the risk of loss in mind and seeks to match your investment objectives and risk tolerance with the appropriate investment strategy. Generally, you must invest in securities that have a higher risk of loss in order to obtain a higher potential for long-term gains. However, there is no guarantee that our investment strategies will meet your objectives or protect the assets in your account from losses. Depending on the type of securities you invest in, your account will be subject to one or more of the following investment risks:

**Interest-rate Risk.** Fluctuations in interest rates can 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 intangible events and conditions and, therefore an account's investment value can decline due to changes in general economic, political, social and market conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.

**Inflation Risk.** When any type of inflation is present, purchasing power will erode at the rate of inflation.

**Currency Risk.** Foreign (non-U.S.) investments are subject to fluctuations in the value of the dollar against foreign currencies, which is also referred to as exchange rate risk.

**Reinvestment Risk.** This is the risk that future proceeds from investments will have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

**Business Risk.** These risks are associated with a particular industry or a particular company within an industry. The performance of the company and/or the industry can carry a higher risk due to potential reversals in profitability. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. Therefore, oil-drilling companies carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity irrespective of the economic environment.

While the Firm's investment approach is to provide managed risk management services, you should be aware that investments increase or decrease in value and that each strategy's past performance is no guarantee of future results. As described below, certain investments carry additional risks that will not be present in other investments:

**Private Fund Investments.** Investments in private funds contain certain risks. They are generally outlined as follows:

1. **Liquidity.** We cannot guarantee our ability to redeem client assets from a private fund in a timely manner. Partnership and LLC member interests are not easily transferable, even on the secondary market, and are subject to redemption limitations.

2. Transparency. We are limited in our ability to monitor the investment activities of private funds. Advisers to private fund investments do not always provide detailed information on their portfolio positions and, therefore, you will not be able to objectively assess the risk of such underlying fund investments.
3. Side letters. Certain investors get preferential treatment in the areas of liquidity, transparency, and fees.
4. Reliance on Key Personnel. Most fund advisers are dependent on the services of a small number of key technical and management personnel and loss of their services could have a material adverse effect on the fund's performance and, due to lock-up provisions, you could be restricted from exiting the fund in a timely manner.
5. Similar Funds. Investment managers often advise similar funds and, subject to the fee structures for those funds, the investment managers can allocate certain limited investment opportunities to funds generating higher fees for the investment manager.
6. Valuation. We rely upon the investment managers of private funds to provide accurate valuation information pertaining to our clients' capital balances. We generally have limited information regarding the holdings of the private funds in which client accounts are invested and are normally unable to independently verify valuations provided by the managers to these private funds.
7. Leverage. Certain funds use leverage (borrowed funds) to increase their securities holdings, which will magnify both gains and losses by the amount of the leverage.
8. Lack of Regulatory Oversight. Private funds typically operate under one or more exemptions from registration with the applicable regulatory authorities. Additionally, certain investment managers to private funds are exempt from registration with the applicable regulatory authorities. Accordingly, private funds and their managers are often subject to little, if any, direct scrutiny from any regulatory authority.
9. Return of Balances Previously Redeemed. Under extraordinary circumstances, following a redemption from a private fund, the client may be required to return all, or a portion of the redemption proceeds it received from the private fund to such private fund. For instance, if the private fund later determines that its NAV was previously misstated, a client will be required to return the applicable portion of the redemption proceeds to the extent required by applicable law or the private fund's organizational or offering documents. Other circumstances, such as indemnification obligations, could also require a client to return the proceeds to a private fund.

The specific risks associated with the funds are outlined in the private placement memoranda for the funds.

Mutual Funds. We invest client funds in mutual funds, some of which are highly specialized. Mutual fund investing involves risk, some of which are described below:

1. Stock market performance risk. The risk that stock, bond, or commodity prices overall, will decline. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, will be worth more or less than their original cost.
2. Manager risk. The risk that poor security selection or focus on securities in a particular sector, category, or group of companies will cause the mutual fund to underperform

relevant benchmarks or other funds with a similar investment objective. Investors cannot influence the securities bought and sold, or the timing of transactions.

3. Non diversification risk. The risk that a fund's performance will be adversely affected disproportionately by the poor performance of relatively few stocks or even a single stock. Certain funds are non-diversified, which means that they invest a greater percentage of their assets in the securities of a small number of issuers as compared with other mutual funds.

A detailed description of the risks is contained in each mutual fund's prospectus. Clients should carefully read each mutual fund's prospectus.

## **Item 9. Disciplinary Information**

Registered investment advisers are required to disclose in their Disclosure Brochures all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the advisory firm or the integrity of its management. We have no such material events to disclose.

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

In some cases, our representatives also represent our affiliates or third parties as insurance agents, broker-dealer representatives, or both. Some of our representatives and other employees also sell insurance products, hold licenses as insurance agents of our affiliate, KPIA, and represent one or more unaffiliated insurance product providers. Some of our registered representatives and other employees also act as registered representatives of our affiliate, KPC. KPC is a registered broker-dealer with the SEC and a member of FINRA. Some of our representatives and other employees also act as investment adviser representatives of our affiliate, KPPMM. The activities conducted by our employees as insurance agents and broker-dealer representatives of our affiliates create certain conflicts of interest.

Clients Can Open NFS Accounts Through Our Employees Representing Keel Point Capital. KPC provides a variety of execution and other brokerage services to clients that are clients of both the Firm and KPC on a fully disclosed basis through its clearing broker, National Financial Services, LLC, a Fidelity Investments company ("NFS"). NFS is not affiliated with us or KPC.

Clients Can Conduct Unrelated Transactions Through Our Employees Representing Keel Point Capital. Certain of our clients use the services of KPC for transactions outside of the client's investment management account maintained with us. In those cases, our representatives who are registered representatives of KPC will recommend securities or other products and will receive customary commissions or other compensation if such products are purchased through KPC. The Firm does not act as a custodian of client assets. The client always maintains asset control. The Firm can place discretionary trades for clients under a limited power of attorney. KPC shares office space and certain overhead expenses with the Firm, and, in some cases, our officers and investment adviser representatives also represent KPC as broker-dealer representatives. In addition, as authorized by the client's investment advisory agreement, the Firm directs a material percentage of client transactions to KPC. Where transactions are affected through KPC, KPC will act on an agency basis to the extent permitted by law and will be entitled to compensation consistent with the customary and prevailing compensation that KPC receives for similar services in the ordinary course of KPC's business.

Clients Can Purchase Insurance Products Through Our Employees Representing Keel Point Insurance Advisors. Certain of our clients purchase insurance advisory services, including insurance products, from KPIA. In such cases, KPIA will receive customary commissions or

other compensation on insurance products sold to the Firm's clients.

This relationship creates a conflict of interest because we will occasionally recommend insurance products to clients for which KPIA receives a commission, when a more appropriate or less expensive product is available from an unaffiliated third party. This conflict is addressed by analyzing if the insurance product is consistent with the client's investment objectives and financial situation without consideration of the compensation that will be earned by our affiliate, KPIA.

Clients Can Conduct Unrelated Transactions Through Our Employees Representing Keel Point Personal Money Management. Certain of our clients use the services of KPPMM for the performance of non-discretionary, personal money management services. Certain employees of KPPMM are also employees of the Firm and, as described in **Item 14: Client Referrals and Other Compensation**, these employees may recommend the use of our investment management services in return for the payment of a referral fee. This referral arrangements creates a conflict of interest because certain employees of KPPMM have an incentive to refer its clients to us. This conflict is addressed by ensuring the referral arrangement is appropriately disclosed to clients and prohibiting any KPPMM employee referring clients to us from acting as our investment adviser representative on behalf of such referred clients. Therefore, none of our employees that are also KPPMM employees will be permitted to receive both a referral fee and an advisory fee for the same client.

Clients Can Be Owners of Our Firm. Certain clients of our Firm are also owners of our parent, KPP, which creates a conflict of interest that, in certain instances, results in such clients attempting to unduly influence our management decisions, including decisions related to reduced fee structures and allocation of limited investment opportunities. We address this conflict by maintaining and conducting a conflicts review process, which is administered by our Conflicts Resolution Committee.

#### **Keel Point Sponsored Vehicles; Co-Investment Management Vehicles**

In addition, as described below, we solicit certain clients to invest in partnerships or funds in which we or one of our affiliates acts as a manager, co-manager, or sub-advisor.

The *Keel Point Distressed Access Fund, LLC* invests in two (2) distressed private equity funds. We act as the manager of the Distressed Access Fund and, in accordance with the operating agreement of the Distressed Access Fund, are entitled to receive an annual carried interest payment of five percent (5%) upon investors earning a specified preferred return on their investment. We no longer charge a management fee for the Distressed Access Fund.

The *Keel Point Tactical Alpha Fund, LP* invests in a portfolio of securities designed to exceed the market return of a balanced risk benchmark. This fund does not charge a management fee. However, it does charge a performance fee on net investment returns in excess of the benchmark. This fund may also invest a portion of its assets in a fund managed by an unaffiliated third party, in which case investors will pay a management fee to the third party manager.

The *Lavaca Capital Convexity Fund LP* and the *Lavaca Capital Convexity Fund II LP* invest in U.S. listed equity options strategies that seek to create convex payouts and reduce risk. The Funds seek to generate enough income via option spreads to fund the amplified upside participation and the downside protection. As a seed partner to the Funds and a sub-adviser to the investment manager of the Funds, Lavaca Capital, we share investment advisory fees with Lavaca Capital for client investments in this strategy, including an annual management fee percent that is separate from and in addition to the asset-based fee that we charge the client for

managing its account. In addition, our affiliate, KP Convexity, receives a portion of the performance-based profit allocation generated by the Funds. The receipt of these additional fees creates a conflict of interest and gives us an incentive to recommend the strategy based on the compensation received. The fee arrangement and conflict of interest are fully disclosed to each client before they invest in the strategy.

As stated above, in addition to the management fee and performance fee included in the Fund(s), Keel Point clients pay a fixed percentage charge for assets under management (“AUM”) which would include an investment in the fund.

### ***Layering of Fees***

Investors in the Lavaca Convexity Fund that are also Keel Point clients are subject to two (2) fee structures related to the investment: 1) Keel Point fees based on AUM, and 2) both the management fee and performance fee of the Lavaca Convexity Fund. Without regard to the returns of Lavaca Convexity Fund, a Keel Point client could pay fewer overall fees to Keel Point if the client’s investment in Lavaca Convexity Fund was substituted for an investment that did not require a portion of the fund’s fees to be paid to Keel Point. The client’s overall fees paid could be more or less if invested in a substitute investment, depending on if the substitute investment’s fees are higher than or less than Lavaca Convexity Fund management and performance fees.

Because Keel Point generates additional fees from assets invested in the Lavaca Convexity Fund, such additional fees could cause Keel Point to bias its investment advice towards investing in Lavaca Convexity Fund. In addition, certain Keel Point employees, including those that advise clients, receive additional compensation based on the amount of assets invested in Lavaca Convexity Fund, as well as the performance of Lavaca Convexity Fund. This compensation structure creates a conflict, as certain Keel Point employees have an incentive to recommend investment in Lavaca Convexity Fund over other investments based on the additional compensation received. However, clients are not charged any additional fees and do not incur any additional costs by virtue of the additional compensation paid to certain Keel Point employees. Keel Point addresses this conflict of interest by disclosing the additional employee compensation associated with investment in Lavaca Convexity Fund and only recommending investment in Lavaca Convexity Fund if the investment recommendation is appropriate for the client based on the client’s investment objectives and risk tolerance.

### ***Performance-Based Profit Allocations***

The Lavaca Convexity Fund provides for a performance fee for outperforming the S&P 500 Index. This performance fees could provide an incentive to make investment decisions in Lavaca Convexity Fund that are riskier or more speculative in order to generate greater performance fees than would otherwise be the case in the absence of such performance-based arrangements.

### **Other Affiliated Vehicles**

We also solicit certain of our clients to invest in funds in which we or one of our affiliates maintains a minority economic interest in the fund’s manager.

In these situations, for our role as co-investment manager, we or an affiliate receive compensation separate from and in addition to the asset-based fee we receive for managing client accounts (**See Item 5: Fees and Compensation**). The receipt of this compensation creates a conflict of interest because we have a financial incentive to recommend that clients invest in this Fund over other similar funds when the other funds may be more appropriate or less costly.

We address this conflict of interest by following a pre-determined process in an effort to ensure that our investment decisions, capital allocations, and recommendations for capital allocations are only after performing due diligence, including consideration of each client's investment objectives, risk tolerance, financial information and other factors we believe are relevant for making an informed and reasoned decision regarding the appropriateness of the investment, including the nature of, and the required steps to mitigate, the conflicts. We also perform ongoing due diligence on all funds to ensure maintaining such investments is appropriate for our clients, which includes conducting periodic reviews of client accounts. Depending on the circumstances, conflicts are referred to our Conflicts Resolution Committee and are otherwise subject to our conflicts review process.

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

### **Code of Ethics**

As required by law, we have adopted a Code of Ethics ("Code") describing our standards of business conduct, establishing policies and procedures to handle potential conflicts of interest that arise from providing advisory services to our clients, and requiring our and our employees' compliance with federal securities laws. Our Code recognizes that we are a fiduciary and acts as a reminder to employees that our responsibility to our clients is to provide effective and proper professional investment management advice based upon unbiased independent judgment.

Our Code is based upon the principle that our employees owe a duty of loyalty, fairness and good faith to our clients and to conduct activities in a manner to avoid (i) serving their own personal interests ahead of our clients' interests, (ii) taking inappropriate advantage of their position as an employee, (iii) any actual or potential conflicts of interest, or (iv) any abuse of their position of trust and responsibility. Also, our Code is designed to preclude activities which lead to, or give the appearance of, conflicts of interest, to protect our clients by educating our employees as to our expectations and the laws governing our business, and incorporating procedures that allow us to monitor employee activity for compliance with the Code.

Our Code also provides that no officer or employee is permitted to trade securities, either personally or on behalf of others, while in possession of material, non-public information with respect to any such securities, or communicate such information to others, other than as required or permitted by the Code.

To receive a copy of our Code, please contact the Firm's Chief Compliance Officer at [compliance@keelpoint.com](mailto:compliance@keelpoint.com).

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

We and certain of our employees recommend certain securities, investment products and investment managers in which we, the employee, or a related person have a material interest, including those as disclosed above in **Item 5: Fees and Compensation** and **Item 10: Other Financial Industry Activities and Affiliations**.

In addition, a potential conflict of interest exists with respect to our investment of client assets in Northlane Capital Partners II, LP because two of Northland Capital Partners' principals are current

Firm clients. However, other than advisory fees due and payable under our existing client advisory agreement, we do not provide to, or receive from, either of the principals, directly or indirectly, with any financial incentives related to our selection of Northlane Capital Partners as an investment.

### **Personal Trading Activities of Advisory Personnel**

From time to time, our employees buy or sell securities for their own accounts that are also held, have been, or will be purchased or sold for the accounts of our clients. This represents a conflict of interest by creating opportunities for certain advisory employees to take advantage of the client by using the employee's prior knowledge to trade ahead of the client and potentially receive more favorable prices. To ensure that no employee prefers his or her own interest over our clients, our Code requires pre-clearance of all personal securities transactions with certain limited exceptions. In addition, on a periodic basis, supervisory personnel review the trading activity of employees to ensure compliance with the requirements of the Firm's trading policy.

## **Item 12. Brokerage Practices**

In selecting brokers to effect portfolio transactions, we consider many factors in addition to and other than costs, including our duty to seek "best execution" (which is the obligation to seek to execute securities transactions for a client on terms that are most favorable to the client under the circumstances), speed, efficiency, familiarity with potential purchasers or sellers, confidentiality, the financial strength and stability of the broker, products or services offered by the broker that will benefit our clients, and other considerations that we consider relevant. We recommend, and the majority of our clients elect, to use IWS or Schwab as their custodian and to execute the trades we advise or recommend. However, our clients retain sole authority to select a different or additional custodian for their accounts.

### **Research and Soft Dollar Benefits**

From time to time and to the extent permitted under applicable law, we will use investment products that provide us with unsolicited research and other investment or market-related information that assists us in performing our investment decision-making responsibilities on behalf of our clients. The Firm does not select particular investment products to receive such research and other investment or market-related information.

The Firm's relationships with brokerage firms that provide such services to us at no cost, benefits the Firm because we do not have to produce or purchase these services separately. Therefore, the receipt of such services can influence, or be perceived as influencing, our decision to allocate brokerage business to those firms to execute client transactions based on our interest in continuing to receive such services that benefits our business rather than based on the interests of our clients receiving the most favorable execution of client transactions.

When appropriate under its discretionary authority and consistent with its duty to seek best execution, Keel Point may direct trades for client accounts to brokers who provide Keel Point with brokerage and research services. The client commissions used to acquire brokerage and research services are known as "soft dollars." Keel Point complies with Section 28(e) of the Securities Exchange Act of 1934, which provides a "safe harbor" allowing an investment adviser to pay more than the lowest available commission for brokerage and research services if it determines in good faith that: (1) the brokerage and research services fall within the definitions set forth in Section 28(e); (2) the brokerage and research services provide lawful and appropriate assistance in the investment decision-making process; and (3) the commission paid is reasonable in relation to the brokerage and research services provided.

The use of soft dollars to pay for research and brokerage services may present Keel Point with conflicts of interest because (1) it receives an indirect benefit that it does not have to pay for from its

resources, and (2) Keel Point may be incentivized to select brokers based on receiving brokerage and research services rather than receiving the most favorable execution.

The receipt of brokerage and research services in exchange for soft dollars benefits our firm by allowing it to supplement its own research and analysis activities, to receive the views and information from research experts, and to gain access to persons having special expertise on certain companies, industries, areas of economy, and market factors. Such brokerage and research services are made available to Keel Point in connection with its investment decision-making responsibilities and enhance Keel Point's capability to discharge those responsibilities. These products and services are useful for Keel Point's investment decision-making and generally benefit all client accounts but are not necessarily utilized for the specific account that generated the soft dollars. Some clients may benefit from the research and brokerage products obtained from soft dollars despite the fact that their trade commissions may not be used to pay for these services. Keel Point does not attempt to allocate the relative costs or benefits of brokerage and research services among client accounts because it believes that, in the aggregate, the brokerage and research services it receives benefit all clients and assists Keel Point in fulfilling its overall investment responsibilities. The soft dollar relationships with custodians may influence the firm's judgment in allocating brokerage business and create a conflict of interest.

We examined this potential conflict of interest when we chose to enter into the relationship with IWS and we have determined that our relationship with IWS is in our clients' best interests and satisfies our obligations to our clients, including our duty to seek best execution, particularly because we pay all transaction costs on client trades with those brokers.

Except as otherwise disclosed above in **Item 5: Fees and Compensation**(ie. the Wrap Fee Program) our clients do not pay brokerage commissions or transaction costs to custodians for trades we advise or recommend. In addition, in recognition of our duty to obtain best execution, we systematically and periodically review our policies regarding broker selection for all of our investment programs. For instance, we have established a Best Execution Committee consisting of members from portfolio management, trading and compliance, the purpose of which is to review the quality of execution and brokerage allocation activities by the Firm.

On a daily basis, we review the trade blotter, and on a semi-annual basis, the Best Execution Committee reviews the execution of trades. The Best Execution Committee has also established guidelines for selecting brokers for trading purposes and as noted above, will not select a broker based on our receipt of research from the broker or any other soft dollar arrangement.

#### **Brokerage for Client Referrals**

We do not enter into client referral arrangements in exchange for selecting or recommending or directing client transactions to broker-dealers.

#### **Directed Brokerage**

We do not generally recommend clients to direct brokerage to particular broker-dealers. However, for certain types of securities and options investments selected by clients, we will direct clients to use our affiliated broker-dealer, KPC. The commissions and transaction fees charged by KPC may be higher or lower than what other broker-dealers charge, and this practice could cost clients more money. However, as stated herein, we generally recommend that client transactions be affected through IWS pursuant to the discretionary brokerage authority granted to us by our clients.

However, from time to time, clients will direct us to effect securities transactions through a particular broker-dealer.

Where a client directs us to use particular broker-dealers, it is the client's responsibility to negotiate commission rates on transactions executed through such broker-dealers, and we are not responsible for and do not evaluate the brokerage services provided to the client, the execution quality or the



commission rates paid by the client. As a result of such direction, a client can lose possible advantages including the following:

1. We will not have the ability to negotiate prices and obtain best execution for such trades. Therefore, engaging in directed brokerage can cost clients more money through higher commission rates than those paid by our other clients or less favorable pricing, resulting in a less favorable trade execution.
2. Directed brokerage accounts are not able to participate in aggregated transactions in which we batch client transactions with orders for other accounts that we manage, which can preclude directed brokerage accounts from obtaining volume discounts or more favorable terms that might be available for aggregated transactions.

We believe the execution of transactions for our clients through KPC brings value to the management relationship because of a commission discount and other valuable brokerage services offered through NFS. We do not receive any payments from KPC for the placement of business through KPC. However, KPC and us jointly market services together.

### **Trade Aggregation**

As a part of our efforts to obtain best execution, negotiate favorable commission rates, or allocate differences in prices and commissions equitably among clients, we sometimes aggregate orders or use a block trade for several clients. If trades are not aggregated, it can impact execution and price, with certain clients getting better pricing than others. We effect block trade transactions in a manner designed to ensure that no participating client is favored over any other client. Specifically, under this procedure, transactions are averaged as to share price and costs and allocated among clients participating in the trade on a pro rata basis. We typically make allocations at the end of the trading day. In unusual circumstances, we will make subsequent reallocations to address specific account restrictions or cash availability. Any client order partially filled will, as a general matter, be rewritten on the following day as a new order and allocated pro rata in proportion to each client's original order.

In all instances in which the Firm engages in trade aggregation, consistent with our fiduciary duty, we equitably allocate investment opportunities and trades among all participating client accounts. In doing so, we take into consideration the available cash in the client's account and the client's needs, suitability, investment objectives, restrictions and guidelines and other factors deemed appropriate in making investment allocation decisions. We conduct periodic reviews of client performance and purchase and sales reports to ensure that no client or group of clients is being systematically favored or harmed in the selection and allocation of investment opportunities.

The Firm does not participate in hot issues, including initial public offerings.

### **Institutional Accounts**

Unless requested by the client, we will not use KPC as a broker-dealer for executing transactions involving institutional accounts. However, unless instructed by the client to use a particular broker, we will select brokers for such accounts. In addition, we do not engage in any step-out trade arrangements.

### **Wrap Fee Program**

Charles Schwab & Co., Inc. Advisor Services provides the previously mentioned Wrap Fee Program with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc.

Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For the Wrap Fee Program client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional, or Firm specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of the Firm by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist the Firm in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Firm fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to the Firm other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance, and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. The Firm is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

Keel Point may, via written arrangement, retain third parties to act as solicitors for the Firm's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. Keel Point will ensure each solicitor is properly registered in the appropriate jurisdiction(s). Such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

### **Item 13. Review of Client Accounts**

#### **Review of Client Accounts**

We perform a comprehensive review of client accounts at least annually to determine whether, based on the client's Investment Policy Statement, the investment strategy that we are using is consistent

with the client's goals, objectives, and risk tolerance, and to monitor the performance of the account including the individual holdings in the account. We perform more frequent reviews of accounts when significant changes in the market occur or if we become aware of significant changes in a client's financial or other circumstances.

### **Client Reports**

**Periodic Statement Provided by Custodian.** Clients will receive quarterly or monthly statements from their designated custodian showing all transactions that occurred in the client's account during the period covered by the account statement and the market value of securities held in the account at the end of the period covered by the account statement.

**Other Reports.** In addition to the periodic statements provided by the client's designated custodian, we provide clients with written quarterly reports showing the performance of their account in relation to appropriate indices for the period covered by the report, which will include a list of the client's holdings with valuations and the quarterly adviser management fee. Upon request, clients can receive the report on a more frequent basis than quarterly. We recommend that clients promptly and carefully compare the statements provided by their designated custodian with the statements and reports provided by us and to promptly notify us in writing of any errors or discrepancies.

For clients receiving financial planning services, we will provide reports according to the level and purpose of planning requested by the client.

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

### **Economic Benefits from Third Parties**

As described in **Item 5: Fees and Compensation** and **Item 10: Other Financial Industry Activities and Affiliations**, above, we, our affiliates, and our investment adviser representatives, receive commissions and other compensation from unaffiliated investment advisers, broker-dealers and other third parties. These arrangements, how they benefit us, and the related conflicts of interest are described in **Item 5: Fees and Compensation** and **Item 10: Other Financial Industry Activities and Affiliations**.

We may receive economic benefits from our custodians, typically in the form of products and services that our custodians make available to investment advisers whose clients maintain their accounts with those custodians. The actual products and services that benefit us and the potential conflicts of interest are also described in **Item 12: Brokerage Practices**.

As previously stated herein, Charles Schwab & Co., Inc. Advisor Services provides the Wrap Fee Program with access to Charles Schwab & Co., Inc. Advisor Services' institutional trading and custody services, which are typically not available to Charles Schwab & Co., Inc. Advisor Services retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Charles Schwab & Co., Inc. Advisor Services. Charles Schwab & Co., Inc. Advisor Services includes brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For the Wrap Fee Program client accounts maintained in its custody, Charles Schwab & Co., Inc. Advisor Services generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Charles Schwab & Co., Inc. Advisor Services or that settle into Charles

Schwab & Co., Inc. Advisor Services accounts.

Charles Schwab & Co., Inc. Advisor Services also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional, or Firm specific educational events organized and/or sponsored by Charles Schwab & Co., Inc. Advisor Services. Other potential benefits may include occasional business entertainment of personnel of the Firm by Charles Schwab & Co., Inc. Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist the Firm in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts, if applicable), provide research, pricing information and other market data, facilitate payment of Firm fees from its clients' accounts (if applicable), and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts. Charles Schwab & Co., Inc. Advisor Services also makes available to the Firm other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, and human capital consultants, insurance, and marketing. In addition, Charles Schwab & Co., Inc. Advisor Services may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Charles Schwab & Co., Inc. Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. The Firm is independently owned and operated and not affiliated with Charles Schwab & Co., Inc. Advisor Services.

Keel Point may, via written arrangement, retain third parties to act as solicitors for the Firm's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. Keel Point will ensure each solicitor is properly registered in the appropriate jurisdiction(s). Such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

### **Referral Arrangements**

We will from time to time enter into referral arrangements with third parties to refer clients to us. Under these arrangements, we pay these third parties a percentage of the management fee for soliciting clients. In addition, we are party to a solicitor agreement with our affiliate, KPPMM, pursuant to which KPPMM solicits its clients to use our investment advisory-related services and, in exchange, we pay KPPMM a referral fee based on a percentage of the advisory-related fees that we receive from such referrals. Our clients, including any referred clients, are not charged any additional advisory fees, and do not incur any additional costs, by virtue of the referral fee paid to third parties or KPPMM. All of these referral arrangements are conducted in accordance with applicable law and regulation, including Rule 206(4)-1 under the Advisers Act.

### **Compensation to Our Employees**

Under certain circumstances, our representatives and employees of our affiliates receive a portion of some or all of their compensation in the form of cash referral fees. These fees are generally

calculated as a percentage of the investment advisory fees generated from the assets referred to by the party and will vary dependent upon the product or service involved. Under no circumstances will the compensation paid for providing referrals result in any additional fees or charges to the client being referred.

Certain of our investment adviser representatives are also investment adviser representatives of KPPMM or registered representatives of KPC and receive referral or other compensation in connection with services provided to our clients by KPPMM or KPC. Our investment adviser representatives will recommend to their clients the services of KPPMM or KPC and such employees, in their capacity as investment adviser representatives of KPPMM or registered representatives of KPC, will receive compensation in connection with non-discretionary personal money management services or securities transactions performed on behalf of our clients.

From time to time, our investment adviser representatives also recommend to their clients the services of our affiliated insurance agency, KPIA. KPIA will receive insurance commissions as a result of such referrals.

The Firm's affiliation with KPPMM, KPC and KPIA, and the potential referral or other compensation which our investment adviser representatives receive, represents a potential conflict of interest in that such factors provide an incentive for our investment adviser representatives to refer potential clients to KPPMM, KPC or KPIA rather than unaffiliated service providers. However,

KPPMM, KPC and KPIA, and not the referring representative or the Firm, is solely responsible for determining whether the potential client satisfies the applicable eligibility criteria and whether to accept the clients. None of our employees or our affiliates' employees, including KPPMM, KPC and KPIA, will be permitted to receive both a referral fee and an advisory fee for the same client.

In addition, we and our investment adviser representatives refer our clients to a variety of affiliated and non-affiliated investments funds. In addition to the advisory fees that we receive for managing our client's account, we or an affiliate receive compensation related to our client's investment in such investment funds, including management fees, performance fees, shareholder service or 12b-1 fees.

These investment funds and fees are described in **Item 5: Fees and Compensation** and **Item 10: Other Financial Industry Activities and Affiliations**.

#### **Other Compensation and Benefits**

From time to time, we receive or have access to free or discounted industry information, online access to client accounts for trading or administrative purposes, and other non-research services from broker-dealers or third-party providers. In addition, occasionally, our affiliate KPC or its clearing firm, NFS, provide us with a newsletter or other publications pertaining to compliance, marketing, practice management or other relevant industry topics. In addition, IWS or NFS or other related or unrelated parties occasionally sponsor events, such as workshops or conferences, at reduced cost or no cost. These benefits are not based on us giving particular investment advice, such as buying particular securities for our clients. Under no circumstances do any clients pay additional fees or commissions to any custodian or broker-dealer in exchange for us receiving these products or services.

### **Item 15. Custody**

All assets of client accounts are required to be held at a third-party qualified custodian. Neither the Firm nor KPC are a qualified custodian. Clients are permitted to designate another qualified custodian in lieu of, or in addition, to Schwab or IWS, to serve as custodian of the assets in their account.

The designated qualified custodian holds all client account assets and will provide account statements to the client directly, at least quarterly. Clients should promptly and carefully review the account statements. In addition to the account statements provided by the designated custodian, we provide clients with quarterly statements and performance reports.

We urge clients to compare the account statements received directly from the designated custodian with the quarterly statements and performance reports provided by us and promptly notify us in writing if there are any errors or discrepancies. In addition, we will periodically confirm that the qualified custodian is providing clients with monthly account statements on a timely basis.

Under normal circumstances, we do not permit our employees, agents, or representatives to accept or maintain custody of client assets. However, in limited circumstances, we will be deemed to have custody as a result of (i) related persons serving as the general partner to certain private funds, including the Keel Point Distressed Access Fund, or (ii) the Firm serving in the capacity of trustee for certain client accounts. However, in all instances in which the Firm is deemed to have custody of client funds or securities, we have adopted appropriate policies and procedures and perform reviews to ensure that our policy is properly implemented.

## **Item 16. Investment Discretion**

We accept discretionary investment authority to manage our clients' investment management accounts. Prior to our exercising such investment discretion, our clients must grant us such authority by executing an investment advisory agreement. As part of the terms of the agreement, the Firm will have full discretion to supervise, manage, and direct a client's investments, as agent and attorney-in-fact, with full power and authority to purchase, sell, reinvest, exchange, convert, trade in and otherwise deal with the client's assets, place all orders for the purchase or sale of securities for the client's account with brokers or dealers selected by us, and execute any documentation that we deem necessary or advisable in carrying out the terms of the investment advisory agreement.

Although the investment advisory agreements grant us the authority, without obtaining specific client consent, to make investment decisions on behalf of clients, we do so in a manner consistent with the client's investment objectives, assets available for investment, and risk tolerance. Clients have the right to place restrictions and limitations on our authority through client-imposed investment objectives, limitations and parameters.

## **Item 17. Voting Client Securities**

The level of discretion and the authority that we exercise over proxy voting will depend on the nature of the client's account.

With respect to accounts for which we maintain discretionary investment management authority, unless the client designates otherwise, we will have the authority to vote proxies for securities and to act in connection with a proposed subscription right, tender right, rights offering or similar corporate action relating to securities held in the client's account. For client accounts that are an ERISA Plan, the client has the right to direct us not to vote proxies for securities held in the account if such right to vote proxies has been expressly reserved to the Plan's trustees or another named fiduciary.

We have adopted and implemented written policies and procedures for voting proxies on behalf of our clients to comply with the provisions of Rule 206(4)-6 under the Advisers Act. In adherence with the requirements of the Rule, we have adopted a policy designed to ensure proxies are voted in the best interest of our clients. To provide consistency in our voting of proxies on behalf of clients, we have engaged Institutional Shareholder Services ("ISS"), a third-party proxy corporate

governance research service, to assist in analyzing proxies and to perform certain voting functions for client accounts. We have determined that ISS's Proxy Voting Guidelines are designed to further the interest of clients and, therefore, have directed ISS to vote client proxies in accordance with its Proxy Voting Guidelines. These Guidelines address a broad range of issues, including board size and composition, executive compensation, anti-takeover proposals, capital structure proposals and social responsibility issues, and are intended to be general voting parameters on issues that arise most frequently. We monitor ISS's voting of proxies and periodically review the Guidelines to ensure ISS's policies align with the best interest of our clients.

If a client wishes to direct a vote in a particular solicitation, the client must contact us at least one week in advance of the vote date to discuss details of the vote. In addition, clients have the right to choose to retain the right to vote proxies for investments held in their accounts. If a client has retained the right to vote proxies for investments held in their account, those clients should receive their proxies from the qualified custodian that maintains their account. These clients should contact their qualified custodian with any questions about a particular proxy or action.

We seek to ensure that proxies are voted in the best interest of our clients and not as the product of a conflict of interest. We identify any conflicts that exist between our interests or the interests of our employees and the client by reviewing our relationship with the issuer of each security in an effort to determine if we or any of our employees has any financial, business, or personal relationship with the issuer. If a material conflict of interest exists, our Chief Compliance Officer and Chief Operating Officer will determine whether it is appropriate to disclose the conflict to the affected client, to give the affected client an opportunity to vote the proxy itself, or to address the voting issue through other objective means, such as voting in a manner consistent with a predetermined voting policy or pursuant to an independent third-party voting recommendation.

Clients may obtain a copy of the Firm's proxy voting policy, including a report of how we have voted proxies affecting our clients' accounts, by submitting a request, in writing, to:

Chief Compliance Officer  
100 Church Street SW, Suite 500  
Huntsville, AL 35801

## **Item 18. Financial Information**

The Firm does not require nor solicit prepayment for six months or more in advance of an amount more than one thousand two hundred dollars (\$1,200) in fees per client. Accordingly, the Firm is not required to include a balance sheet with this Brochure.

We do not have any financial condition that is likely to impair our ability to meet our contractual commitments to our clients, and we have never been the subject of a bankruptcy petition.