



**MARCH 2024**

# Part 2A of Form ADV The Brochure

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## **CERTUITY.COM**

This brochure provides information about the qualifications and business practices of Certuity, LLC ("Certuity," "Our" or "We"). If you have any questions about the contents of this brochure, please contact us at (561) 693-3255. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Certuity is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Certuity, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

**ITEM 2 – MATERIAL CHANGES**

There have been no material changes to our Brochure since the date of our last amendment to the Brochure in October 2023. Additional information can be found on Schedule A of Part 1A of Form ADV by visiting the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 4 – ADVISORY BUSINESS**

Certuity provides investment advisory, planning, family office and investment consulting services to high and ultra-high net worth families and individuals, private foundations, endowments, family offices, other business entities and pooled investment vehicles. A substantial portion of our clients are considered accredited investors, qualified clients or qualified purchasers.

Investment advisory services consist of selecting investments for clients while taking into account the clients' needs, objectives and risk tolerance. Other considerations include the client's total return, other assets and investments, relevant federal securities laws and client-imposed investment restrictions and mandates.

At December 31, 2023, Certuity had \$3.96 billion of regulatory assets under management. Of that amount, \$2.82 billion of assets were managed on a discretionary basis and \$1.14 billion of assets were managed on a non-discretionary basis.

Camden Capital, Alts Plus, AltsPlus and Alts+ are trade names of Certuity, LLC.

Certuity also serves as the managing member and the investment advisor to pooled investment vehicles. These pooled investment vehicles are collectively referred to as the "Certuity Private Funds". Certuity Private Funds are generally considered "fund of funds" which are pooled investment vehicles that primarily invest in private funds and investments managed by third-party investment advisers that Certuity has selected. Alts Plus Fund, LLC is organized as a limited liability company with distinct classes with wholly owned, underlying SPVs for each investment. Each class is considered a separate pooled investment vehicle, maintains its own set of members and is offered subject to its own investment mandate and terms. All other Certuity Private Funds, excluding Alts Plus Fund, LLC, have been organized as series limited liability companies. As a series limited liability company, each series is considered a separate pooled investment vehicle, maintains its own set of members and is offered subject to its own investment mandate and terms. In some instances, Certuity Private Funds invest directly in private companies through, but not limited to, common equity, preferred equity, debt instruments or convertible notes. Not all clients will be offered the opportunity to invest in the Certuity Private Funds and not all clients offered the opportunity will choose to invest. When appropriate and suitable, Certuity makes recommendations to certain clients that they invest in the Certuity Private Funds. In some cases, private funds managed by third-party investment advisers may allow Certuity clients direct access to their private funds at terms and pricing, which may be materially different than the terms and pricing offered by the Certuity Private Funds.

Certuity offers tailored family office services to meet a wide range of needs, including customized family-level financial reporting, tax planning and tax efficiency counseling, private equity research and reporting, real estate investment strategies and reporting, tax efficient investment strategies, consolidated performance and tax reporting, margin lending solutions, philanthropy and family governance. Family office employees work closely with family office clients' third-party representatives such as CPAs, attorneys and estate planners.

Certuity provides Investment Consulting and Outsourced Chief Investment Officer services. Certuity offers strategically aligned investment advisory services and portfolio management solutions targeted to family offices, multifamily offices and sophisticated investors. These services include macro and

multi-asset class research, strategic portfolio management, access to private markets, in-house public equity strategies, manager due diligence, reporting and operational support.

Certuity offers in-house public equity strategies in the form of separately managed accounts (SMAs). The in-house managed strategies are constructed utilizing a quantitatively led methodology across public equities.

Certuity may offer financial planning strategies to assist clients with their financial lives and to manage each of their unique needs and priorities. Certuity follows a financial planning process where the client, with the assistance of an Advisor, identifies their specific financial requirements, goals, objectives, time horizon, restrictions and risk tolerance. After a review and analysis of the client's situation, a financial plan is structured.

Certuity relies on the accuracy of information provided by the client and is not required to verify any information it receives from the client or from the client's other professionals or service providers. Certuity's clients may choose to accept or reject any of our financial planning recommendations but should note that the rejection of any or all recommendations may affect their financial plan, including the projections provided in the developed financial plan.

Clients are advised to promptly notify Certuity if there are changes in their financial situation, investment objectives for the purpose of reviewing, evaluating or revising Certuity's prior recommendations and/or services. In addition, clients are advised to promptly notify Certuity if they wish to impose any reasonable restrictions on investing in certain securities, types of securities or Certuity's management services.

When Certuity provides investment advice to clients regarding a retirement plan account or individual retirement account, Certuity is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. Providing investment advice for compensation may create conflicts with your interests, so Certuity operates under a rule that requires that Certuity act in clients' best interests and not put its interests ahead of theirs.

Under this rule's provisions, Certuity must:

- + Meet a professional standard of care when making investment recommendations (give prudent advice);
- + Never put its financial interests ahead of clients when making recommendations (give loyal advice);
- + Avoid misleading statements about conflicts of interest, fees and investments;
- + Follow policies and procedures designed to ensure that advice is given in Certuity's clients' best interest;
- + Charge no more than is reasonable for services; and
- + Give clients basic information about conflicts of interest.

Prior to engaging Certuity to provide services, the client is required to enter into a written agreement ("Agreement"), which sets forth the terms and conditions under which Certuity renders its services. Certuity tailors its services to the individual needs of clients. Certuity consults with clients initially and

on an ongoing basis to determine clients' goals, objectives, risk tolerance, restrictions and other factors that impact the clients' investment and service needs. Certuity monitors its client accounts for adherence to each client's specific investment needs, goals, objectives, risk tolerance and restrictions.

Certuity's sole owner is Certuity Holdings, LLC.

## **ITEM 5 – FEES AND COMPENSATION**

Certuity offers its services on a fee basis, which include fees based upon assets under management, as well as fixed fees.

Certuity's standard annual asset-based fee is prorated and charged quarterly, in advance. The annual fee varies and is generally between 0.30% and 1.50% depending upon the market value of the assets under management, the Certuity Advisor selected and the type of services rendered. Certain clients have custom billing arrangements based on considerations specific to their accounts. For most client accounts, excluding the Certuity Private Funds which is described in the subsequent paragraphs below, advisory fees are based on the market values on the last day of the previous quarter provided by Black Diamond, Certuity's client reporting platform. The values provided by Black Diamond are based on custodian values and include, but are not limited to, dividend accruals, the effect of corporate actions, the effect of trade-date versus settlement-date on transactions of securities, etc. The inclusion of such will result in differences in the values reported directly by a client's custodian compared to Black Diamond. In addition, certain other client accounts are charged advisory fees based upon the market value of the assets determined by each client's custodian (instead of Black Diamond). For clients who are invested in the Certuity Private Funds, the assets / investment values attributable to the Certuity Private Funds are excluded from this calculation methodology and are billed separately as described in the subsequent paragraphs below.

Investment advisory services generally begin with the effective date of the Agreement. For that calendar quarter, fees are adjusted pro rata based upon the number of calendar days in the calendar quarter in which the Agreement was effective. Fees are generally deducted directly from the client's custodial account.

The Agreement between Certuity and the client will continue in effect until terminated in writing by either party pursuant to the terms and conditions of the Agreement. Clients may withdraw account assets on notice to Certuity, subject to the usual and customary securities settlement procedures. The client is responsible to pay for the services rendered until the termination date as defined in the Agreement. Any unearned fees will be refunded to the client on a prorated basis.

Clients may incur certain charges imposed by financial institutions which include, but are not limited to Charles Schwab, Fidelity, and any other broker-dealer or third-party investment managers ("Third-Party Managers") recommended by Certuity and selected by clients. These fees include, but are not limited to custodial fees, charges imposed directly by a mutual fund, which are disclosed in the mutual fund's prospectus (e.g., mutual fund management fees and other fund expenses), wire transfer and electronic fund fees, and advisory fees by Third-Party Managers. Such charges, fees and commissions are exclusive of and in addition to Certuity's advisory fee.

In the case of the Certuity Private Funds, Certuity serves as the managing member and the investment advisor. As the managing member and the investment advisor, Certuity receives an advisory fee up to

1.00% per annum, payable quarterly in advance, based on the capital account balance of each member, which is based on value provided by the underlying manager of the Certuity Private Fund series or class and adjusted for capital activity at the Certuity Private Fund level such as capital calls, distributions and the payment of fees and expenses, including reserves, that occurred during the quarter.

In unique cases, Certuity enters into separate agreements, commonly referred to as "side letters", or other similar agreements with a particular member in connection with admission to a Certuity Private Fund without the approval of any other member, which would have the effect of establishing rights under or supplementing the terms of the applicable fund's agreement with respect to such member in a manner more favorable to such member than those applicable to other members. Such rights or terms in any such side letter or other similar agreement may include, without limitation: (i) reporting obligations, (ii) waiver of certain confidentiality obligations, (iii) "most favored nation" provisions, (iv) negotiated fees, or (v) rights or terms requested or necessary in light of particular investment, legal, regulatory or public policy characteristics of a member.

Certuity Private Fund financial statements for each series, as well as member account statements, are produced by a third-party administrator. Financial statements for each Certuity Private Fund (including its associated series or class) are audited annually by an independent public accountant registered with and subject to inspection by the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to each member within the required timeframes.

If a client chooses to fund a Certuity Private Fund capital call using liquid investment assets from a separately managed Certuity account, those funding amounts incur an additional advisory fee when the Certuity Private Fund charges its quarterly management fee. Such situations occur intra-quarter when a Certuity Private Fund capital call funding takes place after Certuity has collected the quarterly advisory fee for its separately managed accounts, which typically occurs at the start of each quarter, in which case such client assets will have been subject to two sets of fees charged by Certuity within the same billing cycle. Certain client assets are also subject to two sets of fees where the client opts to invest in a Certuity Private Fund in a second, third, or subsequent closing. In such cases, the capital invested in the Certuity Private Fund will be subject to management fees dating back to the Certuity Private Fund's initial closing. If the capital being committed to the Certuity Private Fund in a subsequent closing was held in a separately managed Certuity account at any point after the Fund's initial closing, then Certuity charged fees on those assets twice for the period from the initial Fund closing through the date of the client's investment in the Fund. Once funds are transferred from the separately managed account to fund a capital call in a Certuity Private Fund, the fees charged to that separately managed account going forward would be based only on the account balance remaining in that account.

In addition to the advisory fee, members in each series of the applicable Certuity Private Fund are subject to administrative and operating expenses borne directly by or allocated to such series or class along with the pro rata expenses, fees and reserves from the underlying investments made by each such series or class. Certuity Private Fund expenses are likely to vary for each fund and their associated series or class, but typically include, among others, administration, legal, audit, insurance, accounting, bank service fees such as wire fees, initial and ongoing registration filings and annual tax preparation and filings.

Members participating in the Alts Plus Fund, LLC are subject to an initial one-time platform administrative fee. Additionally, members of the Alts Plus Fund, LLC are subject to an administration class fee for each class in which they participate. These fees may be reduced, or waived in limited situations, subject to Certuity's discretion.

Certuity provides general financial planning services to individual clients. The fees are either fixed, charged hourly or charged as a percentage of assets being managed and/or being reported for the client and are typically payable in advance of services rendered.

Certuity offers reporting services to clients. The fees typically depend upon the value of the reported assets, the Certuity Advisor selected and the type of services rendered.

Fees for family office services are typically fixed and payable in advance of services rendered. Fees for Investment Consulting and Outsourced Chief Investment Officer services are fixed, based on assets under management and assets being reported, or a combination of both. Such services may be subject to a minimum fee.

Certain clients have custom billing arrangements based on considerations specific to their accounts and the services being provided. Certuity's standard fees may be reduced, or waived in limited situations, subject to Certuity's discretion.

#### **ITEM 6 – PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client. Certuity does not provide any services to its clients for performance-based fees.

#### **ITEM 7 – TYPES OF CLIENTS**

Certuity is required to describe the types of clients to whom it generally provides investment advice. Certuity provides its services to a variety of clients, primarily including high and ultra-high net worth families and individuals, private foundations, endowments, family offices, other business entities and pooled investment vehicles. While Certuity does not impose a minimum portfolio size, certain clients are charged a minimum annual fee. Clients are advised that the Third-Party Managers it may recommend to clients may impose more restrictive account requirements and billing practices despite the fact that Certuity does not impose a minimum portfolio size.

Some of Certuity's clients are principals or employees of, or are otherwise affiliated with, the funds managed by such third-party investment advisers in whose private funds the Certuity Private Funds invest. These affiliations may give rise to actual or perceived conflict of interest in that Certuity may be incentivized to direct its clients or the Certuity Private Funds to invest in the private funds with which these clients are affiliated in order to retain their business or attract new such clients. Certuity attempts to mitigate these conflicts by reinforcing the fiduciary duty owed by all employees of Certuity to the firm's clients in internal compliance trainings, strict adherence and monitoring of code of conduct and clear disclosures of potential conflicts of interests.

**ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Certuity is required to describe the methods of analysis and investment strategies it uses in formulating investment advice or managing assets. Certuity believes diversification is an important component to maximizing risk-adjusted returns over time. Upon providing investment advisory services, Certuity evaluates the client's current financial situation, needs, goals, objectives and risk tolerance.

Certuity believes asset allocation and investment decisions should be made to help the client achieve their overall financial objectives while minimizing risk exposure. Certuity defines risk as the likelihood of permanent loss of capital. Asset allocation is a key component of investment portfolio design. Certuity believes the appropriate allocation of assets across diverse investment categories (stock vs. bond, foreign vs. domestic, large cap vs. small cap, high quality vs. high yield, private equity where suitable, etc.) is a key determinant of portfolio returns and is critical to the long-term success of meeting one's financial objectives.

Certuity employs fundamental and quantitative analysis and encourages long-term, buy-and-hold philosophies and approaches in its investment selection and implementation strategies. Recommendations provided are based on publicly available reports, analysis, research materials, asset allocation models and various subscription services. In addition, Certuity utilizes the services of third-party providers to screen, monitor and evaluate mutual fund and ETF managers. Certuity also conducts initial and periodic reviews of the third-party managers, the Certuity Private Funds and the underlying managers of the Certuity Private Funds.

Certuity serves as the managing member and the investment advisor to pooled investment vehicles. These vehicles allow qualified clients to work with their Advisor to construct a customized diversified alternatives allocation that fits within their overall portfolio where and when appropriate. Investments are selected based on asset allocation philosophy, client applicability, portfolio diversification and/or market opportunity. These investments cover various private market asset classes and strategies. Certuity recommends diversification of alternative investments across asset class, vintage year, strategy and underlying managers.

Given Certuity's overall investment strategy, potential regulatory restrictions and the risks associated with investments in new issues or initial public offerings ("IPOs"), Certuity does not recommend the investment in shares of IPOs for its client accounts. However, from time-to-time Certuity may receive unsolicited requests from its clients to participate in IPOs. Certuity maintains written policies and procedures to ensure that all IPOs are allocated to the requesting clients in a fair and equitable manner. These policies and procedures also ensure that all requesting clients are eligible to participate and are fully aware of the associated risks. Clients that request to receive IPO allocations should be aware of the risks associated with investments in IPO securities, including the potential for the complete loss of principal.

Certuity is required to explain the material risk involved for each significant investment strategy or method of analysis it uses. Investing in securities involves the risk of loss. Clients should be prepared to bear such loss. With equities, there is a risk that one's investments will depreciate because of stock market dynamics. Investments in fixed income involve interest rate risk which is the risk a fixed income investment's value will change due to a change in interest rates. In addition, fixed income investments involve reinvestment risk, which is the risk that interest and dividend income from existing investments may not be able to be reinvested in a way that will earn the same rate of return. Other risks include,



but are not limited to inflation risk/purchasing power risk, which is the risk that the return from an investment will not cover the loss in purchasing power caused by inflation (i.e. dollars received in the future will buy less in the present), and default risk, which is the risk that a company or entity will be unable to make the required interest or principal payments in accordance with the terms and conditions of the fixed income or credit instrument. Investments in Alternatives involve, but are not limited to liquidity risk, which is the risk that an investment will not be able to be sold quickly enough to prevent a loss (e.g., high liquidity risk would be thinly traded stocks and debt securities, real estate investments and limited partnerships).

Certuity utilizes in-house and third-party tools to help construct long-term portfolio recommendations and analyses. Certuity also uses in-house and third-party tools to help analyze investment selection and recommendations. Certuity pulls data from third-party sources that it believes are reliable.

Certuity relies on third-party vendors, some of which provide critical services to its clients. While Certuity has implemented reasonable practices to verify that its key vendors have implemented reasonable safeguards to protect the information or assets it maintains, there exists risks that could negatively impact Certuity and/or its clients in the event of a vendor cybersecurity breach, emergency or outage.

In addition, despite its best efforts to identify and avoid fraudulent requests and adoption of reasonable verification efforts, risks exist that may lead to Certuity or its third-party vendors, to act on instructions that result in Certuity's clients becoming victim to fraud, cybersecurity breach or identity theft. In such cases, no assurances can be given by Certuity that its information safeguards and verification procedures will detect, protect or prevent clients from all threats and vulnerabilities, particularly in instances in which a client is a victim of identity theft, which could result in losses or damages to the client.

Custodians may offer Certuity's clients margin accounts or the ability to enter into securities backed lines of credit ("SBLOCs"), which provide borrowers with a borrowing alternative to selling assets in order to access cash. Certuity recommends the use of margin or SBLOCs to clients on a case-by-case basis, and Certuity does not receive any compensation directly related to a client opening a margin account or SBLOC.

**Conflict of Interest:** Although the decision to open a SBLOC is driven by Certuity and the client acting together and after careful analysis of suitability and risk, a conflict of interest may exist in the event Certuity recommends that a client open a SBLOC in lieu of withdrawing funds as Certuity could continue to charge asset management fees based on those assets while creating a substantial risk of loss to the client. Further, Certuity would be conflicted if such a recommendation is made. Certuity would also be conflicted in the management of the advisory client's account as Certuity's fiduciary duty to manage the account according to the agreed upon investment objective and risk tolerance may not be consistent with Certuity's obligation to manage the account in a manner that will maintain adequate collateral. To mitigate this conflict, Certuity will follow the general fiduciary responsibility as the guiding principle for management of the account. In the event any information arises during the SBLOC application process that would indicate a need for any revisions to the account including the investment objectives and or risk tolerance, the account will be accordingly updated to ensure that it continues to be managed in accordance with the client's needs. Certuity's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Margin or SBLOC accounts can be very risky and they are not suitable for everyone. Before opening a margin or SBLOC account, clients should fully understand that:

- + They can lose more money than they have invested;
- + They may have to deposit additional cash or securities in their account on short notice to cover market losses;
- + They may be forced to sell some or all of their securities when falling stock prices reduce the value of their securities; and
- + The brokerage firm may sell some or all of the client's securities without consulting the client to pay off the loan it made to them.

Force Majeure: Certuity's investment advisory abilities, asset allocation, investment policy decisions, and the underlying investments selected by Certuity could be adversely affected by events beyond our control, such as large-scale natural disasters, acts of terrorism, or global health epidemics or pandemics, all of which cannot be predicted with any level of accuracy, and could result in the permanent loss of principal.

#### **ITEM 9 – DISCIPLINARY INFORMATION**

Certuity is required to disclose all material facts regarding any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management. Certuity does not have any required disclosures to this Item.

#### **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Certuity is required to disclose any relationship or arrangement that is material to its advisory business or to its clients that it or any of its management persons have with certain related persons. Certuity does not have any required disclosures to this Item.

#### **ITEM 11 – CODE OF ETHICS**

Certuity has adopted a Code of Ethics ("Code") that sets forth the standards of conduct expected of Certuity employees and requires compliance with applicable securities laws. In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), Certuity's Code contains written policies reasonably designed to prevent the unlawful use of material non-public information by Certuity or any of its associated persons.

Certuity's Code requires among other things that employees:

- + Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession and other participants in the global capital markets;
- + Place the integrity of the investment profession, the interests of clients and the interests of Certuity above one's own personal interests;
- + Adhere to the fundamental standard that they should not take inappropriate advantage of their position;
- + Avoid any actual or potential conflict of interest;

- + Conduct all personal securities transactions in a manner consistent with this policy;
- + Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions and engaging in other professional activities;
- + Practice and encourage others to practice in a professional and ethical manner that will reflect favorably on them and the profession;
- + Promote the integrity of, and uphold the rules governing, capital markets;
- + Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals; and
- + Comply with applicable provisions of the federal securities laws.

The Code also requires that certain of Certuity's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of initial public offerings and limited offerings. From time to time, Certuity's employees may personally invest in the same investment products or private funds that are recommended to clients. The Chief Compliance Officer monitors the personal investment activities of its employees. A copy of Certuity's Code is available to any client or prospective client upon request by contacting our Chief Compliance Officer at the telephone number listed on the cover page of this brochure.

Certuity also requires its employees to obtain pre-approval for any new outside business activities and regularly report existing activities. Certain of Certuity's Advisors hold insurance licenses and will from time to time assist a client with the evaluation and selection of life insurance products as part of Certuity's broader legacy planning services. Certuity's Advisors may engage third-party insurance agents to assist with the client's selection of insurance products and the Advisor may receive compensation from the third-party for client referrals that lead to the successful sale of an insurance product. Certuity will only assist with the selection of insurance products upon a client's request. Certuity may invest for its own account in addition to client accounts. In such cases, Certuity may take on positions generally used for the purpose of hedging broad market risk that are in the same or opposite direction of its clients.

## **ITEM 12 – BROKERAGE PRACTICES**

Absent an existing brokerage relationship, Certuity will assist the client with developing a relationship with brokers that Certuity has a relationship with which includes, but is not limited to, Charles Schwab and Fidelity. Charles Schwab and Fidelity (the "Custodians") are separate, unaffiliated custodians. Certuity will make recommendations based on the needs of the client and the services provided by the custodian such as their respective financial strength, reputation, execution, pricing, research and service. Other ancillary factors considered in recommending a Custodian include margin rates, transaction charges, consolidated reporting, access to mutual funds with institutional share classes or lower sales charges than for direct purchases and lower minimum purchase amounts, ability to have custody fees reduced or waived, access to a real time order matching system, ability to aggregate client trades, electronic download of trades, portfolio management software, duplicate and batched client statements, confirmations, year-end account summaries prepared by the Custodians, their use or availability of industry leading technologies that help us better serve our clients and access to their dedicated service and support teams.

Certuity receives benefits that it would not otherwise receive if it did not provide recommendations of the Custodians to its clients. While there is no direct affiliation or fee sharing arrangement between the Custodians and Certuity, economic benefits are received by Certuity. These benefits have a dependence on Certuity demonstrating a long-term, strategic relationship with the Custodians and do not depend on the amount or number of transactions directed by Certuity to the Custodians.

Therefore, Certuity's recommendation that a client place assets in a particular Custodian's custody may be based in part on benefits to Certuity and its clients, and not solely on the nature, cost or quality of custody and execution services provided by the Custodians. Certuity conducts periodic reviews of the Custodians to ensure that the fees (e.g., custodial fees and trade commissions) paid by clients are reasonable in light of the services and benefits provided to clients and Certuity by the Custodians. These benefits currently include: a third-party client relationship management system, a dedicated trading desk that services Certuity's clients, a dedicated service group/team (including an account services manager dedicated to Certuity's client accounts) and a monthly newsletter for Certuity's use and distribution.

Certuity places trades for its clients' accounts subject to its duty to seek "best execution" and other fiduciary duties. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker's services and the fees for those services. Certuity endeavors at all times to put the interests of its clients first. To the extent possible, Certuity at its discretion will seek to aggregate client trading if the result benefits all participating clients. Such benefits may include better purchase or sale price, lower commissions, better trade execution, etc. However, each decision is made on a case-by-case basis due to the custom nature of each client's portfolio and Certuity's multi-custodian platform. In addition, there may be limitations and instances when block trading may not be possible.

### **ITEM 13 – REVIEW OF ACCOUNTS**

Account reviews are conducted periodically by the Advisor managing the client relationship depending on the nature of the account, market conditions or other requirements. Other requirements can include a change in a security position, a request by a client for a meeting, a change in the client's investment objective or a client's personal situation.

Certuity provides clients with portfolio reports during periodic reviews or more frequently as requested by the client. Additionally, portfolio reports are available on-demand through an online portal provided by the portfolio management system company. These reports generally include a summary of holdings, portfolio valuation, performance and activity information. Investment advisory clients also receive monthly account statements from their qualified custodians.

All investment advisory clients are encouraged to discuss their needs, goals, risk tolerance and objectives with their Advisor and to keep their Advisor informed of any related changes.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

Certuity is required to disclose any relationship or arrangement where it receives an economic benefit from a third-party (non-client) for providing advisory services to clients. Certuity does not receive any direct fees or compensation from any Third-Party Managers, mutual funds (e.g., trailer fees or 12b-1 fees) or custodians to whom Certuity recommends or refers its clients. However, Certuity receives

benefits from certain third parties for its on-going business relationships. These arrangements have no effect on the gross fee charged to the client. These benefits are described in this Item 14, along with Item 11 and Item 12.

In addition, Certuity is required to disclose any direct or indirect compensation that it provides for client referrals. Certuity currently maintains formal solicitation arrangements and compensates unaffiliated third parties for the successful referral or solicitation of advisory clients. Such referral fees generally consist of a percentage of the management fees earned and collected by Certuity and do not have an effect on the gross fee charged to the client. Certuity will comply with Rule 206(4)-1 under the Investment Advisers Act of 1940, as amended, for all such client referrals and resulting compensation.

Certain Certuity Advisors receive a portion of the advisory fees paid by clients for whom they manage. The arrangements have no effect on the gross fee charged to the client and will comply with all relevant Federal and state laws, including Rule 206(4)-1 under the Investment Advisers Act of 1940, as amended.

From time to time, Certuity may host educational events for its current and prospective clients. These events may feature guests from some of the third-party investment advisers that are recommended for investment in client accounts (e.g., Third-Party Managers or underlying managers of the Certuity Private Funds or the mutual funds held in client portfolios). Certuity believes these events are an effective way for its clients to better understand their investment portfolio holdings, strategies employed in their portfolios, the current market outlook and provides an opportunity for them to interact with Certuity and the third-party investment advisers that manage certain client assets. Certain of these managers may reimburse or share with Certuity for a portion, or all, of the costs (e.g., meals, refreshments, sporting activities, etc.) associated with the hosting of such events. Certuity maintains policies and procedures to carefully review and identify the potential conflicts related to the receipt of such reimbursements and to avoid, mitigate and/or disclose such conflicts.

## **ITEM 15 – CUSTODY**

All client assets are held in custody by unaffiliated broker-dealers or qualified custodians, but Certuity has the ability to directly debit advisory fees from certain client accounts. For this reason, Certuity is considered to have custody of client assets. However, to mitigate such risks, these qualified custodians send statements directly to the account owners on at least a quarterly basis and some monthly per client request. Clients should carefully review these statements and should compare these statements to any account information provided by Certuity.

Certuity is deemed to have custody as a result of standing letters of authorization ("SLOA") in place from clients that allow Certuity to direct the custodian to send client funds based on the SLOA. In reliance of the SEC Staff's no action letter to the Investment Adviser Association dated February 21, 2017 ("No Action Letter"), Certuity currently meets all of the conditions set forth under the No Action Letter for the accounts that utilize SLOAs to make certain disbursements on behalf of a client. Therefore, the accounts to which Certuity is deemed to have custody due solely to the fact that it maintains a SLOA arrangement, Certuity does not obtain a surprise asset verification for such accounts.

Certuity is also deemed to have custody as a result of SLOAs to facilitate "Capital Call" requests that allow Certuity to direct the custodian to send client funds based on the SLOA to Certuity Private Funds in which the client is invested. In those instances, Certuity ensures that the account statements are

delivered by the qualified custodian directly to the client on a monthly basis. In addition, Certuity has also engaged an independent public accountant to conduct an annual surprise audit for such an account.

In certain situations, a Certuity Advisor may serve as the trustee for a client account. In serving in such a capacity, Certuity is deemed to have custody of the assets held in the client's trust account. Certuity ensures that the account statements are delivered by the qualified custodian directly to the client on a monthly basis. In addition, Certuity has also engaged an independent public accountant to conduct an annual surprise audit for such an account.

All Certuity Private Funds' assets are held in custody by unaffiliated banks or other qualified custodians. Certuity has implemented practices and controls to ensure the safeguarding and protection of the Certuity Private Funds' assets. The Certuity Private Funds are also subject to an annual audit by an independent public accountant registered with and subject to inspection by the Public Company Accounting Oversight Board. The audited financial statements are prepared in accordance with generally accepted accounting principles and distributed to each member within the required timeframes.

#### **ITEM 16 – INVESTMENT DISCRETION**

Pursuant to the terms of each client's investment advisory agreement, Certuity may be given the authority to exercise investment discretion on behalf of clients. Certuity is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent.

Certuity is given authority for certain actions (e.g., trading and investment discretion) through a limited power-of-attorney included in the agreement between Certuity and the client. In addition, clients may request a limitation on this authority. Additional limitations include but are not limited to: a prohibition on the purchase or sale of specific securities; the amount of securities to be purchased or sold; and when transactions are made.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

Certuity is required to disclose if it accepts authority to vote client securities. Certuity will not exercise proxy voting authority over securities held in client accounts. The obligation to vote client proxies shall at all times rest with the client and is generally disclosed in the investment advisory agreement that Certuity has entered into with each client. Certuity shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

Certuity will generally not submit class action litigation and securities claims related to securities currently or previously held by clients in their investment portfolios. However, upon a client's request, Certuity will assist clients in completing proof of claim forms and mailing those forms to the claims administrator. Certuity may also forward to the affected clients any information received or maintained regarding class action legal matters involving any security held in the account.

A copy of Certuity's proxy voting policy is available upon request by contacting our Chief Compliance Officer at the telephone number listed on the cover page of this brochure.

**ITEM 18 – FINANCIAL INFORMATION**

Certuity is required to disclose whether it requires or solicits prepayment of more than \$1,200 in fees per client, six months or more in advance. Certuity does not require or solicit prepayments of more than \$1,200 in fees from clients, six or more months in advance.

In addition, Certuity is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Certuity does not have any disclosures pursuant to this Item. In addition, Certuity has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to meet the contractual commitments to clients.