



**Item 1 Cover Page**

FORM ADV PART 2A\*  
SEC-Required Brochure

September 2019

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\*This brochure provides information about the qualifications and business practices of Jocelyn Investment Management, LLC. If you have any questions about the contents of this brochure, please contact us at telephone 415.256.1795. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state authority.

This Brochure provides information upon which a prospective client may determine whether or not to hire our Firm. You are encouraged to review this Brochure and Supplements regarding the Firm's associates for information on the qualifications of the Firm and its employees.

The use of the term "registered investment adviser" and description of Jocelyn Investment Management, LLC and/or our associates as "registered" does not imply a certain level of skill or training. Additional information about Jocelyn Investment Management, LLC is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

**Item 2 MATERIAL CHANGES FROM PRIOR FORM ADV PART 2A**

This updated Form ADV Part 2A contains the following changes from the prior version:

- Updated office address on cover page.

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#### **Item 4                      ADVISORY BUSINESS**

Registration Status –	Registered with the SEC on October 10, 2007 <sup>1</sup>
Principal Owners –	Jocelyn Consulting, LLC - Robert Jocelyn, Owner and President, Sharon Jocelyn, Owner and Nicholas Jocelyn, Owner
Assets Under Management as of December 31, 2018	Discretionary Assets – \$ 48,211,818 Non-discretionary Assets – \$285,751,776 Total Assets Under Management – \$333,963,594

#### **INVESTMENT MANGEMENT SERVICES**

Jocelyn Investment Management, LLC ("Jocelyn," "Advisor" or the "Firm") provides investment management and other financial consulting services to its clients. Investment management services are provided on both a discretionary and non-discretionary basis and include, among other services, financial goal setting, risk assessment, strategic asset allocation and the selection of investments.

The investment management services we provide are based on each individual client's financial circumstances and investment objectives. Our portfolio manager meets with each client to discuss the client's current financial condition and to review the client's current investment holdings. Based upon each client's circumstances, we determine an appropriate asset allocation for the client's investment portfolio, in accordance with the client's specific financial objectives and risk tolerance and in consideration of other factors, including the client's time horizon (education funding, home purchase, retirement, legacy planning), liquidity needs, and other available resources (including external retirement plans, projected social security, outside investments, real estate, and insurance).

Each of these factors, along with a recommended asset allocation, is incorporated into an investment plan that is customized to the client. We evaluate the client's existing investments and work with the client to develop a plan to transition existing investment into the client's portfolio. Clients may identify any investment restrictions to be placed on their account. The client's portfolio and asset allocation strategy is continuously monitored. Jocelyn holds regular review meetings with clients regarding their account and such additional meetings as necessary.

#### **OTHER FINANCIAL CONSULTING SERVICES**

In addition to investment management services, Jocelyn provides financial consultations to clients on investment matters other than portfolio management. Such consultations may include advice on investment strategy, asset allocation or review of alternative investment vehicles, among others. Financial consultations are provided pursuant to a separate written consulting agreement.

Financial consulting clients are not required to be investment management clients of the Firm. Investment management services are provided only pursuant to a separate written investment management agreement.

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<sup>1</sup> "Registration" means only that the Firm meets the minimum requirements for registration as an investment advisor and does not imply that the SEC guarantees the quality of our services or recommends them.

## **FIDUCIARY STATUS**

Jocelyn is a fiduciary under applicable federal regulations and as a fiduciary, is obligated to provide services and advice that are in the best interest of each client.

## **TERMINATION OF AGREEMENT**

Jocelyn and its clients may terminate their respective investment management agreement at any time, upon 30 day's written notice. Any earned fees owed to the Firm will be paid from the client's account on a pro rata basis determined on the amount of time expired in the calendar quarter. Any unearned investment management fees will be refunded on a pro rata basis determined on the amount of time expired in the calendar quarter.

If a copy of this Form ADV Part 2A disclosure statement was not delivered to the client prior to or simultaneous with a client entering into a written advisory contract with Advisor, then the client has the right to terminate the contract without penalty within five (5) business days after entering into the contract. For purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract. If the client terminates the contract on this basis, all fees paid by the client will be refunded. Any transaction costs imposed by the executing broker or custodian for establishing the custodial account or for trades occurring during those five days are non-refundable.

## **Item 5 FEES AND COMPENSATION**

### **ADVISORY FEES**

For its investment management clients, Jocelyn charges a fee based on a percentage of the market value of the investments held each client's account. Assets in the account are included in the fee assessment unless specifically identified in writing for exclusion.

The management fee is billed quarterly, in advance, and prorated for accounts established or terminated at times other than the start of the quarter. The management fee is based on the value of the assets as of the last day of the prior quarter. Values are generally obtained from the custodian of the client's account and are derived from readily available market sources such as securities exchanges and from independent pricing sources.

The management fee is assessed in accordance with the following blended fee schedule:

<b>Value of Account Assets</b>	<b>Annual Fee Rate</b>
On the market value of Account up to \$1,000,000	1.00% plus
On the market value of Account above \$1,000,000 up to \$5,000,000	0.75% plus
On the market value of Account above \$5,000,000	0.50%
Minimum Annual Fee	\$5,000

Under certain circumstances, based upon the size and nature of the client's account and the complexity of the services requested, Jocelyn in its discretion may agree to assess a different management fee.

Clients are invoiced in advance at the beginning of each calendar quarter. Clients customarily authorize Advisor to deduct its quarterly investment advisory fee directly from their custodial account. This authorization is granted under the terms of the client's signed investment

management agreement and the client's instructions to the custodian. Jocelyn sends the client a copy of the investment advisory fee invoice when it requests payment from the client's custodian. It is the client's responsibility to verify the accuracy of the fee calculation, as the custodian will not determine whether the fee is properly calculated. Any discrepancy in fees should be communicated immediately to Advisor within 30-days of the billing date.

#### **RETIREMENT PLAN SERVICES INVESTMENT MANAGEMENT FEE**

Jocelyn is affiliated with entities that provide services to retirement plan (see Item 10, below for additional details). The annual fee for retirement plan services will generally be a percentage of assets within the plan based upon the following blended fee schedule:

Value of Account Assets	Annual Fee Rate
On the market value of Account up to \$5,000,000	0.25% plus
On the market value of Account above \$5,000,000 up to \$10,000,000	0.20% plus
On the market value of Account above \$10,000,000	0.15%
Minimum Annual Fee	\$3,500

In its discretion, Jocelyn may charge a client a flat fee for its Retirement Plan Services.

#### **FEES FOR OTHER FINANCIAL CONSULTING SERVICES**

For its financial consulting services, Jocelyn charges a fee ranging between \$300 and \$350 per hour or provides services on the basis of a fixed fee established at the time of the retention. All fees for financial consulting are within the discretion of the Firm, and depend upon the complexity of a client's requirements. Ongoing fees are payable as invoiced.

#### **GENERAL FEE DISCLOSURES**

We believe our investment management fees are competitive with the fees charged by other investment advisors for comparable services. However, comparable services may be available from other sources for lower fees than those charged by Jocelyn.

The client's fee to the Firm is determined in accordance with the above fee structures, with exceptions negotiated on a case-by-case basis at our discretion. Any deviations from the applicable fee structure are based upon a number of factors including the amount of work involved, the amount of assets placed under management and the attention needed to manage the account. Services provided for the above fees are for investment advice or consultation and quarterly reporting of asset holdings, valuations and performance reviews.

Jocelyn does not provide clients advice as to the tax deductibility of its advisory fees. Clients are directed to consult a tax professional to determine the potential tax deductibility of the payment of advisory fees.

To the extent that a client authorizes the use of margin, and margin is thereafter employed by our portfolio managers in the management of the client's portfolio, the market value of the client's account and corresponding fee payable by the client to Jocelyn may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to the Firm. Accordingly, the decision as to whether to employ margin is left to the sole discretion of client.

## **CUSTODIAN AND BROKERAGE FEES**

Clients incur certain charges imposed by their custodians and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients will incur charges by the executing broker-dealer in the form of brokerage commissions and transaction fees on the investment transactions entered into for their account(s). All of these charges, fees and commissions are in addition to Advisor's investment management fee.

## **FUND DISCLOSURES**

Mutual funds, closed-end funds, exchange traded funds and alternative investment funds are investment vehicles and the investment strategies, objectives and types of securities held by such funds vary widely. In addition to the advisory fee charged by Jocelyn, clients indirectly pay for the expenses and advisory fees charged by the funds in which their assets are invested.

All such funds incur operating expenses in connection with the management of the fund. Investment funds pass some or all of these expenses through to their shareholders (the individual investors in the funds) in the form of management fees. The management fees charged vary from fund to fund. In addition, funds charge shareholders (individual investors in the funds) other types of fees such as early redemption or transaction fees. These charges also vary widely among funds. As a result, clients will still pay management fees and other, "indirect" fees and expenses as charged by each mutual fund (or other fund) in which they are invested.

Clients are provided a copy of a fund prospectus for each fund in which they invest by their custodian or by the fund sponsor rather than by Jocelyn. As required by law, a prospectus represents the fund's complete disclosure of its management and fee structure. In addition, a fund's prospectus can be obtained directly from the fund.

## **BOND DISCLOSURE**

Clients whose assets are invested in bonds purchased directly from an underwriter may pay a sales credit or sales concession to the underwriter on the trade (in lieu of a sales commission) ranging from 0% - 2% of the par value of the bond.

## **Item 6 PERFORMANCE-BASED FEES**

No part of Jocelyn's investment management fee is based upon capital gains or the capital appreciation of assets.

## **Item 7 TYPES OF CLIENTS**

Our clients include high net worth individuals, qualified retirement plans, trusts, corporations and other business entities.

## **Item 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS**

### **METHODS OF ANALYSIS**

Our security analysis is based upon information derived from commercially available software, securities rating services and general market and financial information.

## **INVESTMENT STRATEGY**

Our investment strategy incorporates the principles of Modern Portfolio Theory. Our long-term investment approach is based on the belief that financial markets are efficient and the returns of investors are primarily derived from their asset allocation decisions. Our portfolio manager develops diversified portfolios through the use of passively managed asset class no-load mutual funds and/or asset class exchange traded funds.

For all client accounts over which we have been granted discretionary authority, the portfolio manager is authorized to enter into any type of investment transaction that he deems appropriate for the account, given the financial circumstances, investment objectives, risk tolerance and investment restrictions, if any, set by the individual client. For client accounts over which the client has retained discretionary authority, the Firm is authorized to enter into any type of investment transaction upon prior client authorization.

We rely upon general types of investments including but not limited to equities, municipal or corporate bonds, mutual funds, exchange traded funds ("ETF"s), and options to build our clients' portfolios. However, we typically invest client portfolios in ETFs and/or no-load mutual funds. We may also recommend and implement a ladder bond portfolio for clients.

For its retirement plan accounts, investments will typically be in no-load, no transaction fee mutual funds or collective trust funds available through Charles Schwab & Co., Inc. ("Schwab"). Collective trust funds offered by Schwab are comprised of a mix of stocks, bonds, stable value and cash. Each fund is a comprehensive portfolio that is professionally managed by independent sub-advisors. The funds are diversified across asset classes, align asset allocation with employees' retirement time horizons and maintain lower costs for plan sponsors and participants through a collective trust fund structure rather than a mutual fund structure.

## **INVESTMENT RISKS**

All securities investments carry risk, including the risk that an investor may lose a part or all of his or her initial investment. Here are some of the general risks associated with parts of our investment strategy:

**Short-term purchases** – on occasion, generally only for tax management purposes, we may determine to buy or sell securities in a client's account and hold them for less than a year. Some of the risks associated with short-term trading that could affect investment performance are increased commissions and transaction costs to the account and increased tax obligations on the gains in a security's value.

**Margin Trading** – Our Firm does not advocate leverage as a part of its investment strategy. In rare cases, and generally only for short term financing considerations, clients may elect to assume a margin balance on their investment account. Schwab requires a percentage of assets under management to be pledged as collateral for the margin amount. Clients risk that in a falling market, the pledged collateral will be insufficient to cover a margin call by Schwab. Consequently, all margin decisions are left to the client.

**Bond Pricing** – The price of bonds depends in part on the current rate of interest. Rising interest rates decrease the current price of bonds because current purchasers require a competitive yield. As such, decreasing interest rates increase the current value of bonds with associated decrease in bond yield. We may decide to exchange to a lower or higher duration bond or to another asset class due to interest rate risk that could affect investment performance.

**Inflation** - Inflation is the loss of purchasing power through a general rise in prices. If an investment portfolio is designed for current income with a real rate of return of 4% and inflation were to rise to 5% or higher, the account would result in a loss of purchasing power and create a negative real rate of return.

**Price Fluctuation** - Security prices do fluctuate (except for cash or cash equivalents) and clients must accept that risk associated with the fluctuations or change to a more appropriate investment portfolio in alignment with their risk tolerance.

**Reinvestment of Dividends** - An investor can choose to reinvest interest, dividends and capital gains to accumulate wealth. This is an appropriate strategy for a portfolio designed for capital growth. However, the reinvested earnings could result in a lower or a higher rate than was initially earned.

## **Item 9            DISCIPLINARY INFORMATION**

Jocelyn has no disciplinary history and consequently, is not subject to any disciplinary disclosures.

## **Item 10           OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Jocelyn is affiliated with Jocelyn Pension Consulting, LLC and Jocelyn Pension Consulting of Colorado, LLC which provide administrative, recordkeeping and consulting services to retirement plans. Advisor provides investment management services to retirement plans that have retained Jocelyn Pension Consulting, LLC or Jocelyn Pension Consulting of Colorado, LLC to provide services. Generally, the retirement plans are 401(k) plans or defined contribution plans that allow plan participants the ability to choose among a menu of investment choices. For such clients, Jocelyn analyzes the plan's current investment platform and assists in the creation of the plan's Investment Policy Statement that defines the types of investments that will be offered to plan participants as well as the selection process of those investments.

The portfolio manager recommends investment options to achieve the plan's objectives, provides participant education meetings and monitors the performance of the plan's investment vehicles. Periodically, the portfolio manager reviews the plan's investment vehicles to determine if they are consistent with the plan's Investment Policy Statement, and recommends changes in the plan's investment vehicles. For most clients, the Charles Schwab Trust Company will be used as the custodian or trustee of the retirement plan.

The Firm also provides investment management services to certain clients of Jocelyn Pension Consulting, LLC and Jocelyn Pension Consulting of Colorado, LLC. The investment management services provided by Jocelyn are provided separate and apart from the consulting, recordkeeping and plan compliance services provided by Jocelyn Pension Consulting, LLC and/or Jocelyn Pension Consulting of Colorado, LLC. Jocelyn Pension Consulting of Colorado, LLC and Jocelyn Pension Consulting, LLC charge a fee for their respective services and such fees are separate and apart from the investment management fees provided by Jocelyn.

Clients of Jocelyn Pension Consulting of Colorado, LLC or Jocelyn Pension Consulting, LLC are not required to utilize the services of Jocelyn.



Jocelyn is an independent investment advisor. Although we recommend that our clients custody their investment accounts at Schwab, we have no affiliation with Schwab, do not supervise its brokerage activities and are not subject to its supervision.

Robert A. Jocelyn, the Firm's Managing Principal, serves on the Schwab Retirement Business Services Advisory Board (the "Board"). As described under Item 12 of this Form ADV, Jocelyn recommends that its employee benefit plan sponsor clients establish accounts with Schwab to maintain custody of the employee benefit plan sponsor clients' employee benefit plans' assets and effect trades for the accounts established at Schwab for such plans. Further, Charles Schwab Bank may also serve as directed trustee for an employee benefit plan's assets. The Board consists of approximately 21 representatives of independent investment advisory or independent recordkeeping firms who have been invited by Schwab management to participate in meetings and discussions of Schwab Retirement Business Services' services for independent investment advisory and/or recordkeeping firms and their employee benefit plan sponsor clients. Board members serve for three-year terms. Mr. Jocelyn's term ends December 31, 2019. Board members enter nondisclosure agreements with Schwab under which they agree not to disclose confidential information shared with them. This information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange and the NASDAQ stock market (symbol SCHW). The Board meets in person approximately twice per year and has periodic conference calls scheduled as needed. Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Board members' travel, lodging, meals and other incidental expenses incurred in attending Board meetings.

Although we may refer our clients to other professionals such as attorneys or accountants for estate planning, tax or other matters, neither the Firm nor its principals or employees are affiliated with any law or accountancy firm.

#### **Item 11            CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Jocelyn, its officers and owners, its employees and their immediate families (sometimes collectively "employees") are permitted to buy and sell securities for their personal investment accounts. The Firm has adopted employee personal trading policies and procedures and a code of ethics to govern proprietary (on behalf of the Firm itself) and employee trading practices. Employees are required to report all personal securities transactions on a regular basis. Employees are required to sign a certification agreeing to abide by the Firm's personal trading practices and code of ethics.

Employees may trade in the same securities traded for clients. However, it is the express policy of the Firm that no employee shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients. The Firm and/or its employees may personally invest in the same securities that are purchased for client trading accounts and may own securities that are subsequently purchased for client accounts. From time to time, trading by Jocelyn and/or its employees in particular securities may be restricted in recognition of impending investment decisions on behalf of clients. If a security is purchased or sold for client accounts and the Firm and/or its employees on the same day, either the Firm and/or its employees will pay or receive the same price as the client account, or the client account will receive the more favorable price. If purchased or sold on different days, it is possible that the Firm and/or employees' personal transactions might be executed at more favorable prices than were obtained for clients.

Employees may buy or sell different investments, based on personal investment considerations, which the Firm may not deem appropriate to buy or sell for clients. It is also possible that employees may take investment positions for their own accounts that are contrary to those taken on behalf of clients. Employees may also buy or sell a specific security for their personal account based on personal investment considerations aside from company or industry fundamentals, which are not deemed appropriate to buy or sell for clients. This can occur when securities that are not suitable for clients at the time of purchase (e.g., speculative stocks, micro-cap stocks, penny stocks), are purchased employees. If these securities subsequently appreciate, these personal transactions could be viewed as creating a conflict of interest.

Conversely, employees may liquidate a security position that is held both for their own account and for the accounts of Firm clients, sometimes in advance of clients. This occurs when personal considerations (i.e., liquidity needs, tax-planning, industry/sector weightings) deem a stock sale necessary for individual financial planning reasons. If the security subsequently falls in price, these personal transactions could be viewed as a conflict of interest.

A copy of Jocelyn's employee trading policies and code of ethics is made available to clients and prospective clients upon request.

## **Item 12            BROKERAGE PRACTICES**

### **BEST EXECUTION POLICY:**

As an investment advisor, the Firm is not obligated to obtain the best net price or lowest brokerage commission on any particular transaction. Rather federal law requires investment managers to use their reasonable best efforts to obtain the most favorable execution for each transaction executed on behalf of client accounts.

In selecting broker-dealers, our primary objective is to obtain the best execution. Expected price, giving effect to brokerage commissions, if any, and other transaction costs, are principal factors, but the selection also takes account of other factors, including the execution, clearance and settlement capabilities of the broker-dealer, the broker-dealer's willingness to commit capital, the broker-dealer's reliability and financial stability, the size of the particular transaction and its complexity in terms of execution and settlement, the market for the security, the value of any research and other brokerage services provided by the broker-dealer, and the cost incurred by placing prime brokerage trades in client accounts.

Based upon an evaluation of some or all of these factors, our portfolio manager may execute client trades through broker-dealers that charge fees that are higher than the lowest available fees. The Firm may select broker-dealers whose fees may be greater than those charged for similar investments if we determine that brokerage services and research materials provided by that broker-dealer warrant the payment of higher fees.

Our portfolio manager reviews transaction results periodically to determine the quality of execution provided by the various broker-dealers through whom we execute transactions on behalf of clients.

### **RECOMMENDATION OF SCHWAB AS CUSTODIAN AND EXECUTING BROKER**

Jocelyn recommends that clients establish brokerage accounts with Schwab, a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Schwab is independently owned and operated and not affiliated with Jocelyn and does not supervise or otherwise monitor Jocelyn's investment management services to its clients.

Schwab provides Jocelyn with access to its institutional trading and custody services, which typically are not available to Schwab 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 is maintained in accounts at Schwab, but are not otherwise contingent upon Jocelyn committing to Schwab any specific amount of business (in the form of either assets in custody or trading). Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institution investors or would require a significantly higher minimum initial investment.

For Jocelyn's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. In most cases, trade executions for client accounts custodied at Schwab will be made by Schwab to avoid "trade away" charges imposed by Schwab and for trades executed at other broker-dealers. In cases where a desired security is not available for purchase or sale through Schwab, and in light of Jocelyn's best execution evaluation; certain executions may be made at a different broker-dealer.

Schwab also makes available to Jocelyn other products and services that benefit Jocelyn but may not benefit its clients. Some of these other products and services assist Jocelyn in managing and administering clients' accounts. These include software and other technology 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); provide research, pricing information and other market data; facilitate payment of Jocelyn's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Jocelyn's accounts, including accounts not maintained at Schwab. Schwab also makes available to Jocelyn other services intended to help Jocelyn manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to Jocelyn by independent third parties. Schwab may discount or waive fees it otherwise would charge for some of these services or pay all or a part of the fees of a third-party providing these services to Jocelyn.

Jocelyn's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to us of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

#### **RECOMMENDATION OF BROKER-DEALER – RETIREMENT PLANS**

The execution of securities transactions for self-directed defined contribution plans is conducted by the plan trustee and/or custodian of the plan account at the direction of the plan participant. However, the recordkeeping capabilities of Jocelyn Pension Consulting, LLC and Jocelyn Pension Consulting of Colorado, LLC may require that the client utilize the services of the Charles Schwab Trust Company and/or Schwab as custodian or trustee of the plan.

#### **SOFT DOLLAR ARRANGEMENTS AND POTENTIAL CONFLICTS**

Jocelyn is not a party to any contractual arrangements where an executing broker-dealer, including Schwab, provides or purchases on its behalf "soft dollar" brokerage services or research services. [Such soft dollar services and research typically includes economic and

market information, portfolio strategy advice, research conferences, periodical subscription fees, performance measurement data, online pricing, news wire charges, quotation services, computer hardware and software or other similar products or services provided or paid for in exchange for Jocelyn directing brokerage transactions to that executing broker.]

Although not a party to a formal soft dollar arrangement with Schwab, Schwab's electronic trading platform provides Jocelyn access to client accounts, electronic download of trades, balances and positions, and the ability to directly debit client fees. In addition, Schwab provides Jocelyn with access to its institutional trading and custody services, research, and software which are not typically available to retail investors. These services are generally available to independent registered investment advisors, at no charge or reduced charges, and are not otherwise contingent upon Jocelyn committing to Schwab a specific amount of business. Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are generally available only to institutional investors or would require significantly higher investment minimums.

As stated above, Jocelyn's arrangements with Schwab may be based in part on the benefit to the Firm of Schwab's provision of products and services to assist its investment management operations and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab to clients and this may create a potential conflict of interest.

#### **AGGREGATION OF TRADES AND POTENTIAL CONFLICTS**

Jocelyn generally does not aggregate securities transactions for multiple client accounts. However, circumstances may arise where the portfolio manager determines that aggregation is consistent with the Firm's duty to seek best execution and is consistent with the investment objectives and guidelines for the client accounts participating in the trade.

On the very rare occasion when orders are aggregated, the price paid by each account is the average price of the order. Transaction costs are allocated to each client on a *pro rata* basis, based upon the ratio of the amount of particular issue of securities allocated to the account to the overall amount of that issue purchased. Trades are not allocated in any manner that favors one group of similarly-situated clients over another. Client transactions may be aggregated according to custodial relationship in consideration of execution charges that may be imposed if trades are directed to a non-custodial broker-dealer for execution. Aggregated trades placed with different brokers may be priced differently.

#### **ALLOCATION OF OPPORTUNITIES AND POTENTIAL CONFLICTS**

Our portfolio manager may give advice and take action with respect to any of the Firm's clients that may differ from advice given or the timing or nature of action taken with respect to any other client based upon individual client circumstances. It is our policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients. The Firm is not obligated to acquire for any client account any security that the Firm or its owners, officers, members, employees or affiliated persons may acquire for their own accounts or for the account of any other client, if in the discretion of the portfolio manager based upon the client's financial condition and investment objectives and guidelines, it is not practical or desirable to acquire a position in such security for that account.

Because we manage more than one client account, there may be a conflict of interest related to the allocation of investment opportunities among all accounts managed by the Firm. We attempt to resolve all such conflicts in a manner that is generally fair to all of clients over time. We may give advice and take action with respect to any of our clients that may differ from advice given or the timing or nature of action taken with respect to any other client based upon

individual client circumstances. It is our policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients. The Firm is not obligated to acquire for any client account any security that the Firm or its owners, officers, employees or affiliated persons may acquire for their own accounts or for the account of any other client, if in the discretion of the portfolio managers, based upon the client's financial condition and investment objectives and guidelines, it is not practical or desirable to acquire a position in such security for that account.

#### **Item 13            REVIEW OF ACCOUNTS**

##### **INVESTMENT SUPERVISORY SERVICES**

Client accounts are supervised continuously by Robert A. Jocelyn, Managing Principal, and the Firm's portfolio manager, and formal reviews are conducted quarterly with regard to the objectives of the account and the client's needs. The review process covers assessing client goals and objectives; evaluating the employed strategy, monitoring the portfolio and addressing the need to rebalance. The reviews are conducted by the investment professional primarily responsible for an account. Additional account reviews may be triggered by a specific client request, a change in client goals and objectives, an imbalance in a portfolio's asset allocation, tax law changes or current market / economic conditions.

##### **RETIREMENT PLAN SERVICES FOR SELF-DIRECTED DEFINED CONTRIBUTION PLANS**

Plan assets are reviewed quarterly by Robert and according to the standards and situations described above for investment supervisory accounts. Plan assets are reviewed quarterly for compliance with the plan's Investment Policy Statement.

#### **Item 14            CLIENT REFERRALS AND OTHER COMPENSATION**

Jocelyn does not pay referral fees to any third party firms or individuals for recommending the Firm to prospective clients, nor is the Firm or its employees paid referral fees by any third party for referring clients to their businesses. We do not direct brokerage transactions to any broker-dealer in exchange for receiving client referrals.

Jocelyn employees are not paid "sales awards" or other prizes for referring clients to the Firm.

#### **Item 15            CUSTODY OF CLIENT ASSETS**

Jocelyn does not maintain physical custody of client funds or securities. Clients are required to set up their investment accounts with a "qualified custodian," namely a broker dealer, bank or trust company. Jocelyn is unable to take even temporary possession of client assets for the purpose of transferring them to the client's account. Each client has a direct relationship with their custodian and is responsible for making deposits to and withdrawals from their account as necessary. The Firm is given the authority to receive payment of its management fees directly from the account, but it is not authorized to make any other withdrawals or to transfer money out of the account to a third party.

Jocelyn recommends that clients create their investment accounts at Schwab because it is a broker-dealer that is regulated by the Financial Industry Regulatory Authority ("FINRA") and it participates in the Securities Investors Protection Corporation ("SIPC") insurance fund. (See also, Item 12 Brokerage Practices, above.)

Schwab obligates itself to send account statements directly to the client (or to an independent third party representative designated by the client), no less than quarterly, showing all funds and securities held, their current value and all transactions executed in the client's account, including the payment to Jocelyn of its investment management fees. Clients are advised to regularly compare the assets and holdings listed on Advisor's report with those listed on your Custodian's account statements.

#### **INVESTMENT SUPERVISORY SERVICES**

Additionally, we provide investment results to our clients on a quarterly basis. Each quarterly statement summarizes the specific investment currently held and the value of the client's portfolio.

#### **RETIREMENT PLAN SERVICES FOR SELF-DIRECTED DEFINED CONTRIBUTION PLANS**

Clients utilizing Jocelyn's retirement plan services receive an annual review of the account holdings. We provide clients with comparative information on each plan investment and the plan's Investment Policy Statement on a quarterly basis.

### **Item 16            INVESTMENT DISCRETION**

The portfolio manager is generally granted full investment discretion over investment management client assets including the authority to select the investments to be made, the quantity of securities to be bought and sold and the executing broker-dealer to be used in effecting securities transactions. In some cases, the Firm is able to negotiate the commission rate charged by an executing broker. This discretion may be limited by client investment guidelines and any investment restrictions established by the client. In some cases, clients may place assets with Jocelyn on a non-discretionary basis whereby the client retains the authority to approve each contemplated securities transaction. In either case, Jocelyn does not have the authority to determine the execution costs or brokerage commissions that are assessed by the broker-dealer that executes client securities transactions.

The Firm is authorized to determine the executing broker to be used, with the objective of attaining the best execution for each transaction. In addition to using brokers as "agents" and paying commissions, we may effect transactions in securities directly from or to dealers acting as principal at prices that include markups or markdowns and may purchase from underwriters or dealers in public offerings at prices that include compensation to the underwriters or dealers.

The execution of securities transactions for self-directed defined contribution plans is conducted by the plan trustee and/or custodian of the plan account at the direction of the plan participant. Jocelyn does not arrange for the execution of securities transactions for plan accounts.

### **Item 17            VOTING CLIENT SECURITIES**

It is Jocelyn policy not to vote proxy solicitations received on behalf of clients from the issuers of securities held in client's account. All such solicitations can be forwarded to client for voting upon receipt of a client request. Any client wishing to review our proxy voting policies in full may request a copy.

**Item 18****REQUIRED STATEMENT OF FINANCIAL INFORMATION**

Jocelyn does not require or solicit prepayment of management fees from clients more than three months in advance. There are no adverse conditions related to the Firm's finances that are likely to impair its ability to meet its contractual commitments to its clients. The Firm has not been the subject of a bankruptcy filing in the last ten years.