

Attractive Yield Engineering LLC
Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Attractive Yield Engineering LLC (“Attractive Yield”). If you have any questions about the contents of this brochure, please contact Attractive Yield at +44 20 8133 4497 or by email at: aye.hq.london@gmail.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Attractive Yield Engineering LLC is also available on the SEC’s website at www.adviserinfo.sec.gov. Attractive Yield’s CRD number is: 304836. Registration as an investment adviser does not imply a certain level of skill or training.

Number 14, Lime Kiln Wharf
94 Three Colt Street
London E14 8AP
United Kingdom
Telephone: +44 20 8133 4497
Email: aye.hq.london@gmail.com

Registration as an investment adviser does not imply a certain level of skill or training.

Version Date: October 8, 2019

Item 2 Material Changes

This is Attractive Yield's initial brochure and there are no material changes to report.

Pursuant to new SEC Rules, clients will receive a summary of any materials changes to the Brochure, and any subsequent versions of the Brochure within 120 days of the close of our fiscal year, which is December 31. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new version of the Brochure as necessary based on changes or new information, at any time, without charge. Currently, you may request the Brochure by contacting Mr. Ian M. Lane, CFA, at +44 20 8133 4497 or aye.hq.london@gmail.com.

Item 3 Table of Contents

Item 1: Cover Page	
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Advisory Business	4
Item 5: Fees and Compensation	6
Item 6: Performance-Based Fees and Side-By-Side Management.....	6
Item 7: Types of Clients.....	6
Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss.....	7
Item 9: Disciplinary Information	11
Item 10: Other Financial Industry Activities and Affiliations	11
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	12
Item 12: Brokerage Practices.....	12
Item 13: Reviews of Accounts	14
Item 14: Client Referrals and Other Compensation	14
Item 15: Custody	14
Item 16: Investment Discretion	15
Item 17: Voting Client Securities (Proxy Voting).....	15
Item 18: Financial Information.....	16

Item 4 Advisory Business

Attractive Yield Engineering LLC ("**Attractive Yield Engineering**" or the "**Investment Manager**"), a Limited Liability Company organized in the State of Delaware in June 2019, is owned and controlled by Mr. Ian M. Lane, CFA. Attractive Yield offers managed account services and shares ("**Shares**") in a pooled investment vehicle, X Structured investments and Trading Ltd ("**the Company**") which is discussed below.

Attractive Yield is controlled by Mr. Ian M. Lane, CFA, its Manager and Chief Compliance Officer. Attractive Yield was founded to pursue investment opportunities on behalf of its clients globally. Attractive Yield, taking an active approach to investment, forges financial acumen, independent analysis with hands-on operational expertise to deliver investment returns to its clients. Additional information about Mr. Ian M. Lane, CFA, can be found in Attractive Yield's brochure supplement upon request.

From the date of organization and as of the date of this Brochure, Attractive Yield has not formally commenced operations. Attractive Yield does not have any managed account nor Company assets under management as of the date of this Brochure.

X Structured investments and Trading Ltd ("the Company")

The Company was incorporated on the 11th day of June, 2019 as a British Virgin Islands (the "**BVI**") Business Company with BVI Company Number 2014962 and pursuant to the BVI Business Companies Act, 2004. The Company is being launched as a closed-ended company (sometimes referred to as a "de facto fund") and equity shares are not redeemable at the option of the Shareholder.

Under the British Virgin Islands ("**BVI**") Mutual Fund Regulations 2010 (the "**Act**"), regulated funds are categorized as Incubator Funds, Approved Funds, Private Funds, Professional Funds or Public Funds. However, not all investment entities are subject to the Act, as it regulates only open-ended funds (i.e., whose equity shares are redeemable at the option of the Shareholder). Closed-ended companies used as de facto funds (i.e., whose equity shares are not redeemable at the option of the Shareholder) are not subject to specific regulation in the BVI. Shares are redeemable at the Director's option, subject to the laws of the BVI in relation thereto and to the financial ability of the Company to redeem such Shares and its liquidity at any particular time. The Company is governed by its Memorandum and Articles, as amended and restated, copies of which are available from the Company.

The Company was formed to pool investment funds of its Shareholders (each a "**Shareholder**" and, collectively, "**Shareholders**"). Attractive Yield has complete discretionary investment authority over the Company's assets and the Company has given complete discretion to Attractive Yield to manage the Company's assets in accordance with the Company's Investment Management Agreement (the "**IMA**"). Each potential investor in the Company receives a copy of Attractive Yield's ADV Part 2A and

IMA. The Company's investment objective is capital appreciation. The Company seeks to achieve its objective primarily by investing in undervalued companies with attractable valuations based on fundamental analysis. As of the date of this brochure, the Company has commenced operations.

Managed Account Services

Attractive Yield offers portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Attractive Yield requires discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Attractive Yield seeks to provide that investment decisions are made in accordance with its fiduciary obligations owed to its clients and without consideration of Attractive Yield's economic, investment or other financial interests. To meet its fiduciary obligations, Attractive Yield attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage any client portfolios. It is Attractive Yield's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among all of its clients on a fair and equitable basis over time.

Prior to engaging Attractive Yield to provide investment advisory services, each client is required to enter into an Investment Advisor Contract ("**IAC**") with Attractive Yield that defines the terms, conditions, authority and responsibilities of Attractive Yield and the Client. Clients may terminate the IAC at any time and immediately upon written notice to Attractive Yield. These services include the following:

- Establishing an Investment Policy Statement – Attractive Yield, in connection with the client, will develop a statement that summarizes the client's investment goals and objectives along with the strategy[ies] to be employed to meet the objectives. Attractive Yield then creates an Investment Policy Statement ("**IPS**") for each client. Risk tolerance levels are documented in the IPS, which is given to each client. An IPS generally includes specific information on the client's stated goals, time horizon for achieving the goals, investment strategies, client risk tolerance and any restrictions imposed by the client.
- Asset Allocation – Attractive Yield will develop a strategic asset allocation that is targeted to meet the client's investment objectives, time horizon, financial situation and risk tolerance.
- Portfolio Construction – Attractive Yield will construct a portfolio for the client that is intended to meet the stated goals and objectives of the client.
- Investment Management and Supervision – Attractive Yield will provide investment management and ongoing oversight of the client's investment portfolio.

Item 5 Fees and Compensation

The Company

Attractive Yield receives a management fee ("**Management Fee**") from the Company. The Management Fee for the Company will be paid from each Shareholder's share of the Company's Net Asset Value. The Management Fee equal to $1/12^{\text{th}}$ of 1.50% (i.e., 0.125% monthly or approximately 1.50% annually) is charged to each Shareholder's Capital Account separately.

Managed Accounts

Attractive Yield receives a monthly management fee equal to $1/12^{\text{th}}$ of 1.50% (i.e., 0.125% monthly or approximately 1.50% annually). The computation of the Management Fee is to be made as of the end of each calendar month and one hundred percent (100%) of the Management Fee shall be paid immediately thereafter. A pro rata Management Fee is charged to Clients on any amounts permitted to be invested or withdrawn during any calendar month.

Attractive Yield uses the average daily balance of assets value for the annual billing period. Attractive Yield uses the average daily balance of assets value for the annual billing period. The average daily balance is calculated by taking the sum of a client's account balance at the end of each day of the billing cycle divided by the number of days in the billing cycle. Attractive Yield maintains and/or has access to, a record of a client's account balance for each day in the billing cycle. These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the IAC.

A client is sent an invoice for the Management Fee and the Management Fee is withdrawn immediately from the client's account. Clients are responsible for the payment of all trading account fees (i.e. custodian fees, brokerage fees, transaction fees, etc.). Those fees are separate and distinct from the fees charged by Attractive Yield. Attractive Yield is required to disclose that lower fees for comparable services may be available from other sources. Please see Item 15 of this brochure for more information regarding the deduction of the Management Fees from client accounts.

Item 6 Performance-Based Fee

Attractive Yield does not charge performance-based incentive fees but reserves the right to do so in the future.

Item 7 Types of Clients

Attractive Yield generally provides advisory services to the following types of clients:

- ❖ The Company
- ❖ High-Net-Worth Individuals

The Company

Shares in the Company will be continuously offered and the minimum investment amount is one hundred thousand dollars (\$100,000), although Attractive Yield has discretion to accept lesser amounts. Shareholders may add to or withdraw funds in increments of twenty five thousand U.S. dollars (\$25,000) at any time, with no minimum subsequent investment amount. Generally, new Shareholders will be admitted on the first day of each calendar month and withdrawals may be made as of the last day of any calendar month upon thirty (30) days' prior written notice to Attractive Yield.

Managed Accounts

The minimum account size that shall be accepted by Attractive Yield is one hundred thousand U.S. dollars (\$100,000) and the client may add to or withdraw funds from its investment account in increments of twenty five thousand U.S. dollars (\$25,000) at any time, with no minimum subsequent investment amount. Attractive Yield can waive the minimum account size in its sole discretion.

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

Investment Strategy

Attractive Yield plans to use similar methods of analysis and investment strategy with respect to managed accounts and the Company. Attractive Yield's strategy aims to scour the global markets for strategies and structures with heavily favourable risk/return trade-offs, in order to offer clients robust and accessible solutions that intend to:

- Be achieved irrespective of the performance of equity or bond markets (i.e. market neutral and/or hedged strategies that exhibit low directionality and correlation to large asset class movements).
- Consist of well-diversified exposure across structured equities, fixed income, credit, currencies, geographies, alternative assets, structured products, optionality, investment styles and strategies.
- Preserve and grow assets in a variety of hard currencies, without the constraints of being bound to a single national investment market.
- Be tailored to specific, individual investor needs and preferences.

Philosophically, achieving these outcomes depends on finding adequate investment management alpha over a wide of strategies and asset markets. Additionally, where a specific manager or strategy lends itself to great return generation, but with a meaningful directional overlay, a portable alpha and hedging approach is to be pursued to transform the return profile into a more market neutral or portfolio appropriate risk/return mapping.

Attractive Yield's risk management does not blindly rest on passive, hands-off multi-management, trusting that diversification will do its job, but goes beyond that to an

actively engaged, detailed quantitative risk management approach that seeks to constantly identify, weigh, contain and blend both systematic and idiosyncratic portfolio risks.

Risks

Accuracy of Public Information Risk. Attractive Yield selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made publicly available by the issuers or through sources other than the issuers. Although Attractive Yield evaluates this information and data and ordinarily seeks independent corroboration as appropriate and reasonably available, Attractive Yield is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Dependence upon Computer Technology: The computer technology relied on by Attractive Yield could have unknown systemic flaws. While Attractive Yield believes that the developers of this technology are experienced in software design, development and testing, there are always risks that could have been unanticipated by the developers of this technology. Unanticipated software problems could keep the system from functioning. In addition, Internet connectivity, server problems, and related technology might fail. All proper precautions are taken by Attractive Yield to minimize problems such as power failures, virus attacks, loss of hard drives, and the vulnerability of computer systems; however, these are only precautions taken by Attractive Yield and does not guarantee complete protection from system failures.

Electronic Trading: Attractive Yield will trade futures through an internet based electronic trading system. Trading on an electronic trading system differs from trading in the open outcry market. In the event of a system failure, it is possible that, for a certain time period, it may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. A system failure may also result in loss of orders or order priority. Clients will be exposed to risks associated with the system including the failure of hardware and software. The result of any system failure may be that the Attractive Yield's order is either not executed according to instructions or is not executed at all.

Short Selling. Attractive Yield's investment strategy will involve seeking to profit from securities believed to be overvalued by entering into short sale positions, both directly and indirectly through the use options, ETFs, and other trading instruments. When Attractive Yield effects a short sale in a client's account, the client may be obligated to leave the proceeds thereof with the custodian and also deposit with the custodian an amount of cash or other securities that is sufficient under any applicable margin or similar regulations to collateralize its obligation to replace the borrowed securities that have been

sold. Short selling involves selling securities which are not owned by the short seller and borrowing them for delivery to the purchaser, with an obligation to replace the borrowed securities. Short selling allows the client to profit from a decline in market price to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. In certain cases, a short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost to the client of buying those securities to cover the short position. There can be no assurance that the client will be able to maintain the ability to borrow securities. In such cases, the client can be “bought in” (i.e., forced to repurchase securities in the open market to return to the lender). There also can be no assurance that the securities necessary to cover a short position will be available for purchase at or near prices quoted in the market. Purchasing securities to close out a short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Any gain resulting from a short sale will be decreased (and any loss will be increased) by the transaction costs incurred in connection with the short sale.

Leverage Risk. Clients may, but are not required to, authorize the use of leverage in their accounts. While leverage presents opportunities for increasing the client’s total return, it has the effect of potentially increasing losses as well. Accordingly, any event which adversely affects the value of an investment by the client would be magnified to the extent the client is leveraged. The cumulative effect of the use of leverage by Attractive Yield in a client’s account in a market that moves adversely to the client’s investments could result in a substantial loss to the client which would be greater than if the client were not leveraged. The use of leverage may create interest expenses for the client, which can exceed the investment return from the borrowed funds. To the extent the investment return derived from investments purchased with borrowed funds exceeds the interest the client will have to pay, the client’s investment return will be greater than if leverage were not used. Conversely, if the investment returns from the assets acquired with borrowed funds is not sufficient to cover the cost of leveraging, the investment return of the client will be less than if leverage were not used.

In general, the anticipated use of short-term margin borrowings results in certain additional risks to the client. For example, should the securities pledged to brokers to secure the client’s margin accounts decline in value, the client could be subject to a “margin call,” pursuant to which the client must either deposit additional funds or securities with the broker, or suffer mandatory liquidation of the pledged Securities to compensate for the decline in value, which could result in substantial losses. In the event of a sudden drop in the value of the client’s assets, the client might not be able to liquidate assets quickly enough to satisfy its margin requirements.

Uninvested Assets. Assets not invested in securities or deposited as margin or paid as premiums generally will be invested in money market instruments, including, without limitation, Treasury notes and bills, certificates of deposit, commercial paper, broker

balances, bankers' acceptances, repurchase agreements or mutual funds that invest in such securities. For temporary defensive purposes, a client's account may consist of cash or other money market instruments.

Portfolio Turnover. Attractive Yield will actively manage client accounts. Attractive Yield may make adjustments to the client's portfolio if it believes that market conditions or research opinions affecting the market or individual issues warrant such action or as a result of changes in Attractive Yield's risk tolerance or to take advantage of short-term trading opportunities. Accordingly, a client's account may be expected to turn over during the course of a year. In such circumstances, the client may have a higher portfolio turnover rate and pay greater brokerage commissions than portfolios with a lower portfolio turnover rate.

Risks Associated with Investments. Any investment carries certain market risks. Investments may decline in value for any number of reasons over which Attractive Yield may have no control, including changes in the overall market for equity and/or debt securities, and factors pertaining to particular portfolio securities, such as management, the market for the issuer's products or services, sources of supply, technological changes within the issuer's industry, the availability of additional capital and labor, and other similar conditions. The value of a client's portfolio will fluctuate, and there is no assurance of capital growth. The profit (or loss) derived from investment transactions consists of the price differential between the price of the securities purchased and the value ultimately realized from their disposition, plus any dividends or interest received during the period that the securities are held, less transaction costs (consisting mainly of brokerage commissions). If investment held long (held short) do not increase (decrease) in value as anticipated, Attractive Yield may sell them without a gain or at a loss.

Securities. A security investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Exchange Traded Funds (ETFs). An ETF, inclusive of exchange-traded notes ("ETN"), including SPDRs (Standard and Poor's Depositary Receipts) and HOLDRs (Holding Company Depositary Receipts), is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). ETFs are a recently developed type of investment security, representing an interest in a passively managed portfolio of securities selected to replicate a securities index, such as the S&P 500 Index or the Dow Jones Industrial Average, or to represent exposure to a particular industry or sector. Unlike open-end mutual funds, the shares of ETFs and closed-end investment companies are not purchased and redeemed by investors directly with the fund, but instead are purchased and sold through broker-dealers in transactions on a stock exchange. Because

ETF and closed-end fund shares are traded on an exchange, they may trade at a discount from or a premium to the net asset value per share of the underlying portfolio of securities. As a relatively new type of security, the trading characteristics of ETFs may not yet be fully developed or understood by potential investors. In addition to bearing the risks related to investments in equity securities, investors in ETFs intended to replicate a securities index bear the risk that the ETFs performance may not correctly replicate the performance of the index. Investors in ETFs, closed-end funds and other investment companies bear a proportionate share of the expenses of those funds, including management fees, custodial and accounting costs, and other expenses. Trading in ETF and closed-end fund shares also entails payment of brokerage commissions and other transaction costs. Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

Managed Accounts

Conflicts of Interest. Attractive Yield is accountable to the Company as a fiduciary and, consequently, must exercise good faith and integrity in handling the business of the Company. Nevertheless, in the conduct of such business, conflicts may arise between the interests of Attractive Yield and those of investors, and you should be aware of these conflicts of interest before investing.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9 Disciplinary Information

There is no criminal, civil, administrative actions or proceeding to report.

Item 10 Other Financial Industry Activities and Affiliations

Neither Attractive Yield, nor Mr. Ian M. Lane, CFA, are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer. Moreover, neither are registered as nor have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

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

Attractive Yield has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Attractive Yield's Code of Ethics is available free upon request to any client or prospective client.

Attractive Yield does not recommend that clients buy or sell any security in which a related person to Attractive Yield or Attractive Yield has a material financial interest. From time to time, representatives of Attractive Yield may make trades and investments for their own accounts. In these accounts, they may use trading and investment methods that are similar to, or substantially different from, the methods used by them to direct client accounts. The records of these personal accounts will not be made available to clients. From time to time, representatives of Attractive Yield may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of Attractive Yield to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, Attractive Yield will never engage in trading that operates to the client's disadvantage if representatives of Attractive Yield buy or sell securities at or around the same time as clients.

Item 12 Brokerage Practices

The Company

Portfolio transactions for the Company will be allocated by Attractive Yield to brokers on the basis of best execution and in consideration of such brokers' ability to effect transactions, the brokers' facilities, reliability and financial responsibility, and the provision or payment of the costs of research and other services or property. Lime Brokerage LLC and/or Interactive Brokers UK Limited (the "**Broker**") will provide brokerage and custodian services for the Company, and will generally execute (on the basis of payment against delivery) the securities transactions of the Company. Accordingly, the Broker may receive substantial brokerage commissions and/or margin interest related to the securities transactions of the Company. The Company reserves the right to use other and/or additional firms for brokerage and custodial services.

Managed Accounts

Attractive Yield recommends that clients open accounts at either Lime Brokerage LLC or Interactive Brokers UK Limited based on Attractive Yield's duty to seek "best execution" which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Attractive Yield's objective in selecting custodians such as Lime Brokerage LLC or Interactive Brokers UK Limited is to effect portfolio transactions is to seek the best combination of price and execution for clients. The best net price, giving effect to sales commissions charged by the custodian, spreads and other costs, is normally an important factor in this decision, but a number of other judgmental factors are considered. In applying these factors, Attractive Yield recognizes that different custodians may have different execution capabilities with respect to different types of securities. In determining whether a particular custodian is likely to provide best execution, Attractive Yield takes into account all factors that it deems relevant to the custodian's execution capability. Every three to five years, Attractive Yield is required to survey custodians to ensure that Lime Brokerage LLC and Interactive Brokers UK Limited are the best custodians available to its clients.

While Attractive Yield has no formal soft dollars' program in which soft dollars are used to pay for services, Attractive Yield receives at no charge research, products, and/or other services from custodians (such as Lime Brokerage or Interactive Brokers) "soft dollar benefits" in connection with client securities transactions. Such soft-dollar arrangements are consistent with and not outside of the scope of the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar benefits and Attractive Yield does not seek to allocate any benefits to client accounts in proportion to any soft dollar benefits generated by client accounts. Attractive Yield benefits by not having to produce or pay for the research, products or services (whether Attractive Yield uses the soft dollars' benefits or not) and Attractive Yield is deemed to have an incentive to recommend a custodian such as Lime Brokerage LLC or Interactive Brokers UK Limited based on receiving soft dollar benefits. Clients should be aware that Attractive Yield's deemed acceptance of soft dollar benefits may result in higher commissions charged to the client by the custodian. The availability of soft dollar benefits creates a conflict of interest for Attractive Yield.

Attractive Yield receives no referrals from Lime Brokerage LLC or Interactive Brokers UK Limited in exchange for referring its clients to them.

Attractive Yield permits clients to select a custodian; however, Attractive Yield encourages its clients to select either Lime Brokerage LLC or Interactive Brokers UK Limited. If a client selects a different custodian, the client will be required to acknowledge in writing that the client's choice with respect to the use of a custodian other than Lime Brokerage LLC or Interactive Brokers UK Limited supersedes any authority granted to Attractive Yield to select the custodian and this decision may result in higher

commissions for the client. This may also result in a disparity between client accounts. Trades for the client will be executed after trades taken in client accounts maintained at Lime Brokerage LLC or Interactive Brokers UK Limited. In this case, the most favorable trade execution may not be achieved, which may cost the client more. By directing clients to Lime Brokerage LLC or Interactive Brokers UK Limited, Attractive Yield will be able to aggregate or bunch the securities to be purchased or sold for multiple clients.

Item 13 Review of Accounts

The Company

The investments of the Company are continuously reviewed by Attractive Yield, through Mr. Ian M. Lane, CFA, Manager and Chief Compliance Officer. This review includes ongoing analysis of portfolio investments and an assessment of the risks inherent in the portfolio.

Managed Accounts

All Client accounts are reviewed at least monthly by Mr. Ian M. Lane, CFA, Manager and Chief Compliance Officer, with regard to clients' respective investment policies and risk tolerance levels (IPS). All accounts at Attractive Yield are assigned to this reviewer.

Item 14 Client Referrals and Other Compensation

Attractive Yield does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Company or Attractive Yield's Managed Account clients. Attractive Yield does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15 Custody

When advisory fees are deducted directly from the Company or managed account client accounts by the custodian, Attractive Yield is deemed to have constructive custody of client's funds and securities. As a result of this type of custody, Attractive Yield is required to have written authorization from the client to deduct applicable fees. Clients will receive invoices from Attractive Yield and clients should carefully review those invoices for accuracy. Further, due solely by having fees directly deducted from the client accounts), Attractive Yield is required to comply with and meet the following safeguard requirements:

- a. Written Authorization. The investment adviser must have written authorization from the client to deduct fees from the account held with the qualified custodian;
- b. Notice of fee deduction. Each time a fee is directly deducted from a client account, the investment adviser must concurrently:

- i. Send the custodian an invoice specifying the amount of the fee to be deducted from the client's account; and
- ii. Send the client an invoice specifying and itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee;
- c. The custodian sends statements to the clients showing all disbursements for the custodian account, including the amount of the advisory fee. Statements should coincide with the investment adviser or investment adviser representative billing period.
- d. The investment adviser notifies the regulator in writing that the investment adviser intends to use the safeguards provided above. Such notification is required to be given on Form ADV.

Item 16 Investment Discretion

The Company

Pursuant to the established IMA, Attractive Yield has discretionary authority to manage funds and securities on behalf of the Company. Attractive Yield has the authority to determine the type of securities and the amount of securities that can be bought or sold for the Company's portfolio without obtaining the Shareholder's consent for each transaction.

Managed Accounts

Attractive Yield provides discretionary investment advisory services to managed account Clients. The Contract (IAC) established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, Attractive Yield generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. Each Client will execute a limited power of attorney to evidence discretionary authority.

Item 17 Voting Client Securities (Proxy Voting)

The Company

Attractive Yield has voting authority for Company securities. Attractive Yield will vote proxies received by the Company in accordance with its own discretion.

Managed Accounts

Attractive Yield will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18 Financial Information

Attractive Yield neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure. Neither Attractive Yield nor Mr. Ian M. Lane, CFA, has any financial condition that is likely to reasonably impair Attractive Yield's ability to meet contractual commitments to clients. Attractive Yield has not been the subject of a bankruptcy petition in the last ten years.