



FORM ADV, PART 2A (BROCHURE)

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This brochure provides information about the qualifications and business practices of Diesslin Group, Inc. If you have any questions about the contents of this brochure, please contact us at (817) 332-6122. 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 Diesslin Group, Inc. also is available on the United States Securities and Exchange Commission's website at www.adviserinfo.sec.gov. Registration with the United States Securities and Exchange Commission does not imply a certain level of skill or training.



MATERIAL CHANGES

There have been no material changes to Form ADV Part 2 since the last update, dated March 12, 2015.

If you wish to receive a complete copy of our Form ADV Part 2 please contact our Chief Compliance Officer at (817) 332-6122 or by sending an email to ADVrequest@diesslin.com.

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ADVISORY BUSINESS

Firm Information

Diesslin Group (“DG”), Inc. is a registered investment advisor with the Securities and Exchange Commission. DG is a Texas corporation that was founded in 1980 by David H. Diesslin, the principal owner. Our firm is located at 425 Houston Street, Suite 500, Fort Worth, TX 76102 and currently has 13 employees. As of 9/30/15, our assets under management were \$742,000,000 of which \$530,000,000 we managed on a discretionary basis and \$212,000,000 we managed on a non-discretionary basis.

DG provides personal, individually-tailored, comprehensive, fee-only financial planning and asset-management services to individuals, closely-held businesses, corporations, charitable organizations, pension and profit sharing plans and others. The term “comprehensive” incorporates, but is not limited to, the following elements: cash flow and net worth statements, cash flow management, tax planning, education planning and funding, non-business risk management, and retirement, charitable and estate planning. However, the planning needs of a particular client may be either more comprehensive or more limited in scope.

After in-depth data collection and analysis of the client’s asset and debt position, cash flow, tax position, etc., as determined by the scope of the agreement, DG will assist the client in developing short and/or long term goals and objectives, and a set of options and action plan consistent with the client’s attitudes, philosophy and risk tolerance. If the client so chooses, DG may manage part or all of the client’s investable assets. The management of a client’s portfolio is based upon the client’s objectives, preferences, investment philosophy, risk tolerance and the investment influence of the capital markets and economy. DG will typically create a portfolio of no-load stock and bond mutual funds. DG primarily recommends portfolios consisting of actively managed mutual funds offered through the Schwab or Fidelity platform. DG’s advice is typically limited to these types of investments; further information is provided under Methods of Analysis, Investment Strategies and Risk of Loss.

Our Process

- Introductory Meeting: A client’s relationship with DG typically begins with an Introductory Meeting which is usually a 90-minute meeting in which the firm assists the client in discovering long-term goals (financial and otherwise) and the obstacles that currently stand in the way of achieving them. These insights serve as a guiderail and are implemented throughout our services.

- Initial Financial Planning: Following the Introductory Meeting the client may engage DG for a Financial Planning review. The client will sign an individualized agreement describing the scope of the services to be provided and the flat fee that will be paid for these services.
- Implementaion/ Ongoing Financial Planning & Asset Management: If a client elects to receive ongoing investment management and financial advisory services after the Initial Financial Planning is complete, they will move to the Implementation/ Ongoing Assistance phase. This stage includes ongoing investment management and monitoring services including asset allocation and portfolio construction, recommendations concerning a client's existing individual securities, and planning concerning interest and dividend payments and capital gains, as they relate to retirement, charitable planning, education funding, tax and real estate issues. The firm provides subsequent comprehensive annual financial planning reviews for clients who pay an ongoing financial planning retainer fee and provide the information requested by the firm for the review, and may provide a financial review, the scope of which will be at the firm's discretion, for any other clients who request it.

Our Services

Asset Management: At DG our goal is to identify the specific financial requirements of each client and construct a portfolio of appropriate investments designed to meet our client's unique needs. First DG develops an investment policy statement, determines asset allocation and selects investments. DG considers the client's individual needs and long-term investment goals, with "long-term" defined as an investment time horizon of 5 years or more. We believe that diversification is essential to minimizing portfolio risk. DG considers the tax implications of investment decisions in an effort to maximize after-tax return. DG periodically reviews the portfolio and reviews performance. Clients are able to impose restrictions on investing in certain securities or types of securities.

Retirement Planning: DG's goal in retirement planning is to help our clients achieve their long-term financial goals with the peace of mind that comes from having third-party guidance. Many variables are considered in the analyses, such as years until retirement, levels of savings until retirement, other sources of income (such as Social Security and pension benefits), expected portfolio return and inflation rate, existing debts and cash needs, and the current value of the client's portfolio. With this information DG is able to "stress test" the portfolio and vary inputs to get a probability of success at different spending levels.

In addition, we analyze sources of income such as Social Security and Pension benefits and develop strategies to maximize the benefits over the clients' lifetime.

Insurance Planning: DG reviews an individual's risks of loss and determines the appropriate types and amounts of insurance to provide adequate protection against those potential losses, including personal risks (life insurance, disability insurance, health insurance, and long-term care insurance), property risks (homeowners insurance, automobile insurance, flood insurance, and insurance on rental properties), and liability risks (including personal umbrella liability insurance, professional liability, and directors' errors and omissions coverage). In evaluating the sufficiency of life insurance, DG employs both the "income replacement" and the "expense coverage" analysis methods.

Estate Planning: Estate planning is the process of coordinating wills, trusts and ancillary documents to most effectively accomplish a person's tax and non-tax objectives for accumulating, transferring, and disposing of assets, both during the individual's lifetime and after death. The primary objectives of an estate plan are to provide for the support and comfort of a surviving spouse and/or dependents, and to maximize the transfer of wealth to subsequent generations or to other beneficiaries.

Tax Management: The objective of tax planning is to pay the lowest amount of tax that is legally permissible, consistent with overall financial planning objectives. Taxes impact almost every area of personal financial planning, and DG tailors tax planning strategies according to the client's age, family status, and sources of income, as well as the constantly-changing tax law and regulations.

Business Planning: Planning for a small-business owner encompasses a variety of issues, including income tax planning, succession planning and buy/sell agreements, valuations of business interests, and evaluating professional liability and worker's compensation insurance needs.

Education Planning: Planning for financing the formidable costs of attending institutions of higher education is a concern for every parent, and should be undertaken well in advance of the child's attaining college age. DG provides a detailed evaluation of education funding needs (tuition, fees, books, and room and board for public and private institutions) for each child, and customized recommendations concerning projected amounts remaining to be funded and education savings options.

Situation-Specific Needs: While some aspects of financial planning are universal, certain objectives or circumstances may have a dramatic impact on the process. A few examples include the following: specific asset protection needs, family limited partnerships, charitable giving arrangements, special needs trusts and planning for, or following, a divorce, death of a spouse, retirement packages, stock options and severance package

FEES AND COMPENSATION

The following section details how DG is compensated for the financial planning and investment advisory services the firm provides. Each client shall sign an Engagement Agreement detailing the responsibilities of DG and the client.

Initial Planning Phase (Assessment & Development)

Introductory Meeting	No Fee
Initial Financial Planning	Starts at \$4,000
Implementation of Financial Plan	Dependent upon client's needs; quote available upon completion of Phase I Financial Plan
Ongoing Financial Planning	Starts at \$250/quarter

* Hourly services are available under certain circumstances.

** The fee may be negotiated in special circumstances.

Asset Management Phase

Portfolio up to \$1,000,000	1.00%
\$1,000,001 to \$3,000,000	0.60%
\$3,000,001 to \$6,000,000	0.30%
\$6,000,001 to \$10,000,000	0.25%
\$10,000,001 to \$20,000,000	0.20%
\$20,000,001 and over	0.15%

*Minimum Annual Fee Rate: \$8,000, billed quarterly

Fees for Annuity Services

Managed: The lesser of .5% of market value, or the fee that would result from adding the annuity asset(s) to the other managed assets. Annual Fee, billed quarterly.

Non-Managed: \$500 set-up fee, Annual Fee, billed quarterly.

Fees for 529 Account

Managed: 0.10% on the total market value, Annual Fee, billed quarterly.

Set-up fee: \$250, Annual Fee, billed quarterly.

Due Diligence/Ad Hoc Services:

Portfolios (AUM) up to \$20,000,000: \$250/ hour plus expenses

Portfolios \$20,000,000 and up: expense only

Consulting and other special services are available at an hourly rate or a fixed retainer. Billing for such services is customarily done monthly.

The fees that are charged by DG for The Initial Planning Phase services do not include the professional fees that may be charged by other advisors (such as attorneys, accountants and insurance advisors) for implementing recommendations made in the Financial Planning review, and the fees for DG's Asset Management Phase investment management and financial advisory services are in addition to the fees that such providers as mutual funds (as described in the fund's prospectus), limited partnerships, or brokerage houses (which may be recommended to the client) may charge for transactions, custodial fees, internal management fees, or other services. The fees charged by other service providers are not under the control of DG and are subject to change, and DG does not receive any portion of fees or commissions paid to them.

Fees are generally billed quarterly (25% of the above annual rates is billed each quarter), in advance, calculated on the basis of the market value on the last day of the calendar quarter. In some cases, fees may be payable monthly, or as an annual retainer (billed quarterly). Clients may choose to be billed or have the fees deducted from their account. The minimum annual fee rate for the Asset Management Phase is \$8,000. However, fees can vary, based upon the complexities and circumstances of each client's situation. All fees are negotiated in advance of performing advisory services.

Because most of DG's asset management fees are assessed on the basis of the market value of the account's holdings, the firm utilizes an objective process in valuing account holdings. In valuing publicly-traded securities and mutual funds, the firm will rely on the pricing information provided by the custodian of the account. Investments that are not publicly-traded (for example, real estate partnerships) are initially valued at their purchase price. This price is maintained until a later authoritative evaluation of the asset is available (for example, from the general partners of real estate or oil and gas partnerships, the issuers of private equities, or the managers of hedge funds), at which time the price is set at the new value. The firm will make diligent efforts to obtain updated values for such assets at least annually.

Transaction fees currently charged by Charles Schwab & Company/ Schwab Institutional:

- **Equity Trades**
 - Broker-assisted Channels: \$.01/share (\$15 minimum)
 - Electronic Channels: \$6.95 per trade
 - Penny Stocks: \$6.95/ trade
- **Transaction-Fee Mutual Fund Trades**
 - Broker-assisted Channels: \$15per trade
 - Electronic Channels: \$15 per trade
- **Option Contract Trades**
 - Broker- assisted Channels: \$2.00/ contract (\$30 Min)
 - Electronic Channels: \$8.95 + \$0.70/contract
- **Fixed Income Trades**
 - Broker-assisted Channels: \$1.20 per bond (\$10 minimum, \$275 maximum)
 - Electronic Channels: \$1.00 per bond (\$10 minimum, \$250 maximum)

Charles Schwab & Company charges an additional \$10 “trade away” fee for trades executed by other brokers.

Transaction fees currently charged by Fidelity Institutional Wealth Services:

- **Equity Trades**
 - Electronic Equity Trades
 - Households under \$1 million
 - 1-1,000 shares: \$17.95
 - 1,001+ shares: \$0.015/share
 - Households over \$1 million
 - 1-10,000 shares: \$7.95
 - 10,001+ shares: \$0.01/share
 - Live Equity Trades: \$0.05/share with a \$29.95 minimum
- **Transaction Fee Mutual Funds**
 - \$20 for all trades, any size
 - \$5.00 per transaction for periodic investment plans
- **Option Contract Trades**
 - \$7.95 + .75 Per Contract

- - **Fixed Income Trades**

- Agency Business:
 - Exchange Traded Fixed Income Securities: \$2.50 Per Bond with \$40.00 minimum

Fidelity charges an additional \$20 “trade away” fee for trades executed by other brokers.

Other charges may apply, and fees and commissions will vary from broker to broker. Clients receive a confirmation notice from the brokerage house for each trade that is done, listing the costs including commissions.

Fees currently charged by National Advisors Trust Company:

- Custody Service Charges: Monthly account maintenance fee: \$5.00; Maintenance fee is waived for accounts having \$100,000 total market value in standard listed stocks, bonds, mutual funds, and money market funds. Electronic statements of account are available without charge; mailed paper statements are charged \$2 per statement.
- Transaction Fees: Purchases or sales of mutual funds will incur a trade settlement fee of \$20 per trade. Mutual fund assets that are classified as No Transaction Fee (“NTF”) mutual funds by Fidelity Investments will not be subject to trade settlement costs.
 - Normal trading commissions due the executing broker dealer will apply and will be reflected on the transaction description details for the trade. Non-mutual fund asset trades brokered outside of Fidelity Investments will be subject to a \$7 per transaction “trade away” fee charged by Fidelity. Special transaction charges may apply to the purchase or sale of unusual assets requiring extraordinary time for applications or unusual settlements.
- Cash Management Fees: National Advisors Trust will receive a fee of up to .25 of 1% annually for providing daily cash management of available cash of any account invested into one of the taxable or tax-exempt money market sweep options. These fees will be paid directly by the money market fund distributors to National Advisors Trust for shareholder accounting services, and not as a sales commission.
- Cash Distribution Charges: Cash distributions are normally made by ACH transfer or by check. If required, wire transfers may be requested at a fee of \$18 per domestic bank wire and \$50 for each international wire. Wire charges will be passed through to the account in addition to any applicable distribution fees.

- **Special Services and Fees**
 - **Non-Standard Asset Fee:** A non-standard asset fee of \$600 will be charged for each limited partnership interest, closely-held corporation or limited liability company interest, promissory note, or each real estate interest held in custody. Mutual funds that are not included on the National Advisors Trust mutual fund platform will be charged \$250 per off-platform mutual fund CUSIP. If significant staff time is required for the acquisition or disposition of non-standard assets, an hourly charge may be assessed for processing.
 - **Fees for Special Services:** National Advisors Trust may charge fees for special services not normally included in basic custody services. Examples of such services include preparation of special accountings or reports, reimbursable travel expense attributable to the account, extensive bill payments, or participation in litigation in defense of account assets. Charges for services will be quoted on request and are based upon the reasonable value of the duties and responsibilities of such services.
 - **Account Closing Fee:** For services in closing the account and transferring assets to another custodian when so directed by the Account Owner, a fee of \$200 will be charged during first 12 months from account opening; reducing to \$100 thereafter.
- Custody fees for partnerships consist of a \$600 flat fee per partnership and a \$250 per asset charge. The combined fee is prorated on a daily basis and charged once a quarter. The fee is paid by each partnership.
- Professional fee for the services of attorneys, accountants, etc., would be assessed in addition to its trustee fee.

Clients may, at any time, terminate their relationship with DG. However, termination must be in writing. Should this occur, the client's account is settled from the date of the termination request, based upon the services that have been rendered and/or the actual time utilized. Any applicable non-used fees are returned to the client within 30 days of the date of the written termination request.

PERFORMANCE-BASED FEES

DG may receive a Performance Based Fee based upon any gains obtained in the accounts of "Qualified Clients," pursuant to an Investment Advisory Agreement. The start date for each

client will be specified in their written agreement. All billing periods will be 3 months in length and fees will be invoiced in arrears.

At the end of any billing period, if the annualized percentage total return since the specified date in the agreement is less than the agreed upon percentage (referred to as the “reference return”), no fee will be charged for that billing period. Any earnings for the fee period, derived using the reference return, that are greater than the earnings derived from the first agreed upon percent of the reference return, shall first be used to pay Diesslin Group’s regular fee, calculated based upon the assets at the end of the period and based on the client’s regular fee schedule. Any unpaid portion of the fee for any billing period, caused by the total return being too low to pay the entire fee, shall not accrue.

According to the Investment Advisers Act of 1940 Rule 205-3, a Qualified Client is a natural person or a company that, immediately after entering into the contract, has at least \$1,000,000 under the management of the investment adviser, or the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, that the client has a net worth (together, in the case of a natural person, with assets held jointly with a spouse) of more than \$2,000,000 not including the value of the primary residence, or the client is a Qualified Purchaser as defined under the Investment Company Act of 1940.

The following is an example of how the fee would be calculated for a client with a fee schedule of 1% of assets up to \$500,000 and .4% for assets greater than \$500,000, assuming that for the first billing period after the initial 12-month cycle the assets at the end of the period were \$2,000,000, and that the annualized total return from the date specified in the agreement through the current billing cycle was 5%. The quarterly fee would be: $\frac{1}{4} \times (500,000 \times 1\%) + (1,500,000 \times .4\%)$, or \$2,750.

DG does not compensate portfolio managers based on their portfolios’ performance; as a result, there is no financial incentive for the manager to recommend any particular investment. Also, suitable investments are typically selected for each Investment Policy Statement (IPS) level and are activated across the board for all clients at that IPS level, albeit with the possibility of some minor customization for specific clients.

TYPES OF CLIENTS

DG provides investment advice to individuals, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations and corporations or business entities other than those listed above. DG generally requires a client to have \$1 million in investable net worth; however, under various circumstances exceptions are made.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Methods of Analysis

DG draws upon expansive research, investment information, and its own proprietary analysis to provide innovative and comprehensive fiduciary investment advisory services. DG periodically monitors clients' portfolios, recommends a strategic asset allocation, recommends specific investments, and suggests changes when appropriate. DG also suggests trading in clients' portfolios utilizing rebalancing in order to maintain asset class exposures within desired risk tolerances, subject to variances permitted for tax planning or other reasons. DG manages primarily mutual fund and alternative investment (partnership) portfolios on either a discretionary or non-discretionary basis.

In designing investment plans for clients, DG will rely on information supplied by the client and the client's other professional advisors pertaining to the client's financial situation, objectives, time horizon, risk tolerance, and other client-specific constraints. This information becomes the basis for the strategic asset allocation plan which DG believes best meets the client's long term stated goals. The investment plan (or policy) which sets forth the strategic asset allocation provides for investments in those asset classes which DG believes (based on research and DG's proprietary analysis) will possess attractive combinations of return, risk, and correlation over the long term. =DG emphasizes the utilization of several different asset classes as part of an investor's portfolio, as this has been shown to effectively reduce portfolio volatility (i.e., the standard deviation of returns) over long periods of time. DG allocates and diversifies the client's assets among various asset classes and then among individual investments, following the investment policy agreed to by the client. DG's investment approach is firmly rooted in the belief that investors' returns are determined principally by asset allocation decisions. DG focuses on developing globally diversified portfolios, principally through the use of actively managed mutual funds, and in certain cases, alternative investments (partnerships) that require accredited status. Investment policy and overall portfolio weightings between equities, fixed income and alternative investments (partnerships) are formulated based upon each client's needs and desires, tolerance and need to assume various risks and investment time horizon. The portfolios of clients may then follow models designed by DG to fit the overall weightings of equities (stocks, stock mutual funds), fixed income investments (bonds, bond funds, CDs) and alternative investments (partnerships) in an investor's portfolio. The investment portfolio's strategic asset class allocation is customized to meet the specific circumstances of a client, the presence of investments in 401(k) or other accounts, as well as DG's perception of the client's understanding of the fundamental forces affecting risk and return in the capital markets. In addition, a client's initial strategic asset allocation may be influenced by DG's own evaluation of

the relative valuation levels of various asset classes and the investment time horizon and income needs of that client.

DG's analysis is based upon a number of factors including those derived from commercially available software technology, general economic, market and financial information, due diligence reviews, and specific investment analyses that clients may request. DG's main sources of information include commercially available investment information and evaluation services, financial newspapers and journals, academic white papers, periodicals, as well as prospectuses, and other issuer-prepared information. DG's Investment Committee members and DG's other advisors also attend various investment conferences. DG also receives research from consultants. DG may also utilize various computer software programs from third parties in an attempt to better model the historical and/or expected returns of designed portfolios and/or to better assist clients in achieving their goals.

Investment Strategies

DG will typically create a portfolio of no-load stock and bond mutual funds. DG primarily recommends portfolios consisting of actively managed mutual funds offered through the Schwab or Fidelity platform. Mutual funds offer broad diversification and/or are not limited to a focus on low turnover and expenses. Some investment portfolios may also include individual fixed income investments (bonds, C.D.'s, etc.). For clients with a substantial fixed income allocation, DG may recommend a combination of bond funds and individual fixed income investments (bonds, C.D.'s, etc.), dependent upon DG's views of the risk/return relationship for various forms of fixed income investments or bond funds.

For clients with accreditation status, DG may offer the asset type represented by the alternative investments (partnerships). For clients with lesser amounts of assets, mutual funds may be used for allocated amounts. Client portfolios may also include some individual equity securities, but these are generally part of clients' investment holdings prior to working with DG, or are purchased by client request. DG may also recommend public real estate investment trusts (REITS) and commodities index or passive mutual funds or ETFs for clients.

DG will also evaluate insurance products such as annuities and various types of life insurance products. DG may recommend clients to invest in low-cost, no-load variable or fixed annuities when appropriate to the tax situation of the client. More often, this occurs when a client possesses an existing high-cost variable annuity, and a rollover of the annuity is indicated for tax planning purposes (rather than redemption), in order to seek to lower the total fees and costs paid by the client and/or provide different investment choices. DG may recommend a client retain an existing annuity previously purchased by the client, or undertake partial or full surrenders of

same (and/or tax-free exchanges), following an evaluation of the annuity contract, riders thereto, investment alternatives within the annuity and their fees and costs, including any surrender fees which may be imposed by the insurance company. DG may also recommend an annuity for asset protection purposes (liability exposure).

DG evaluates new clients' existing investments in light of the desired investment policy objectives and works with new clients to develop a plan to transition from a client's existing portfolio to the desired portfolio. Investment advice may be offered on any investments held by a client at the start of the advisory relationship. DG then monitors each client's portfolio holdings and strategic asset allocation, taking into account the cash flow needs of the client. DG encourages annual review meetings with clients regarding their investment assets under advisement and, where appropriate and offered under the program in which the client is enrolled, other planning issues.

Cash in clients' investment accounts is typically swept into the bank or money market mutual fund accounts of the institutions (*SCHWAB INSTITUTIONAL* or *FIDELITY INVESTMENTS INSTITUTIONAL SERVICES*). DG discusses with each client upcoming cash flow needs and seeks to plan accordingly to meet those needs. While it is not general practice for DG to encourage clients to maintain a large amount of cash in their accounts in most circumstances, such may be undertaken in some situations and/or at the request of the client. Upon request of a client, DG will invest cash balances for temporary purposes.

Risk of Loss

Investing in securities involves a risk of loss that clients should be prepared to bear. DG's investment recommendations seek to limit risk through broad global diversification in equities (through broadly diversified stock mutual funds) or diversified bond funds. While DG's investment recommendations seek to limit losses through broad diversification among equity securities and other means, DG's investment methodology will still subject the client to short-term declines in the value of their portfolios, which can at times be dramatic. DG believes that the best method to limit declines in an investor's portfolio is to decrease client exposure to overall stock market forces, while increasing fixed income allocations. DG believes this is the best manner to temper the shorter-term volatility of the stock market, especially for clients who derive cash flow from their portfolios (such as during retirement years). DG's investment philosophy is best suited for investors who desire a buy and hold strategy for a substantial portion of their funds with a long-term investment time horizon. Even then, investing is inherently uncertain as to future returns. While DG seeks to evaluate both macroeconomic and microeconomic risks, for purposes of weighing risks and returns and for the computation of the expected returns of various asset classes, DG does not generally engage in market timing activities. While DG can seek to reduce risks to which a client may be exposed, other risks may

be assumed in order to seek to attain the client's longer-term financial goals; DG cannot provide any guarantee that the client's goals and objectives will be achieved.

Certain securities which DG recommends, such as U.S. small cap, micro-cap, international, and high-yield bond funds, possess higher levels of volatility. DG employs these securities as part of an overall strategic asset allocation for a client, and when such is done, DG possesses a reasonable belief that the risk-return relationship for these securities will likely be beneficial for the investor, over the long term.

Please also note that while all Certificates of Deposit (CDs) purchased for our clients are FDIC-insured, the pricing of these CDs, which trade in the secondary market, can vary; accordingly, due to price declines and/or transaction costs associated with trading, these CDs could lose value if redeemed prior to maturity. CDs are recommended by DG with the intent to hold them to maturity.

Investments in partnerships require a long-term commitment, with no certainty of return. Many of the partnerships investments will be illiquid, and there can be no assurance that the partnerships will be able to realize on such investments in a timely manner. There is no guarantee of a minimum rate of return or of a limit on losses. Additional information on investment risk is discussed in the individual Private Placement Memorandum of each partnership. Partnership investments carry marketability risk, in which the investment does not have an active market within which to trade.

DISCIPLINARY INFORMATION

Not Applicable.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Not Applicable.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

A. Code of Ethics

DG has implemented a code of ethics in accordance with rules adopted by the Securities and Exchange Commission under the Investment Advisers Act of 1940. The code of ethics was developed in order to establish policies relating to the ethical and legal standards of conduct to be followed by the members of the firm in the conduct of its business. Although our code of ethics

contains a number of specific standards and policies, there are three key principles embodied throughout the Code:

- The Interests of Our Clients Must Always Be Paramount.
- Staff Members May Not Take Inappropriate Advantage of Their Relationship to Our Clients
- All Personal Securities Transactions Should Avoid Any Actual, Potential or Apparent Conflicts of Interest.

Our code of ethics is available to existing and prospective clients upon request. To receive a copy of our Code of Ethics please contact:

Shawn Gray
Diesslin Group, Inc
425 Houston Street, Suite 500
Fort Worth, TX 76102
Telephone No.: (817) 332-6122
E-mail: shawn.gray@diesslin.com

B. Personal Trading and Conflicts of Interest

DG principals and employees may purchase or sell for their own accounts the same securities that may be recommended to and purchased on behalf of Clients. This practice could create potential conflicts of interest; however, this is not a significant conflict of interest because the portfolio managers' trading in individual, publicly-traded securities on behalf of DG clients is minimal. Also, as established by the DG Code of Ethics, each access person is required to report his or her securities holdings annually and certain personal securities transactions quarterly. Preauthorization is required for access persons investing in private placements, and access persons must meet the same requirements and invest on the same terms as clients.

Alternative Investment strategies may be used in order to implement investment advice. These may include, but are not limited to, partnerships and limited liability companies for the purchase of and/or sale of land, developed real estate, oil and gas properties, leases, research and development, agriculture or other investments that may be individually client-appropriate in order to improve or enhance the client's economic position. These decisions are based on the client's needs, risk tolerance, goals and objectives. DG's philosophy is to provide clients with multiple appropriate alternatives to enable them to make choices based upon their financial goals and objectives.

DG may act as a General (or Managing) Partner, or be affiliated with the general partner, in such investments. This may be done, for example, to facilitate the pooling of funds by accredited investors in order to make it possible for them to participate in investment limited partnerships that otherwise would not be possible, due to minimum cash requirements. As a general or

managing partner, DG receives no special incentives or contingency fees for recommending such investments; however, DG or related persons may receive fees as the general or managing partner for the management of the “business” of those partnerships, as well as distributions resulting from equity ownership in such partnerships, as described below. Fees that are paid to DG pursuant to a client’s advisory agreement are independent of fees that may be paid to DG or related persons for management of partnerships.

Each new client receives a “Disclosure Statement” concerning DG’s relationship to such investments.

DG does NOT receive any additional remuneration for recommending such investments, nor does it receive commissions from persons sponsoring any investments, other advisors, originators, syndications or distributors. This ensures that DG has no incentive to recommend investments to its clients in return for undisclosed payments from investment sponsors or syndications, which might influence its recommendations.

DG has formed several partnerships in which some of its clients have invested:

DA Investments, Ltd., is a limited partnership that provides venture capital for privately-held companies through CT Capital Partners, L.P.; DG is the general partner. As of 9/30/15 the valuation of the assets is \$5,063. David H. Diesslin Revocable Asset Trust has acquired equity interests of approximately 17% in the partnership. The Partnership is fully-subscribed and closed to new investors.

DLA Income Fund, Ltd., is a limited partnership that was created to provide first-lien notes and equity participation in real estate transactions. Diesslin, Lau & Associates, LLC, is the general partner and owns 0.10%; the class B limited partners, DG and Judith Lau, own 9.90%. David H. Diesslin and Judith Lau (principal of the financial planning firm Lau & Associates, Ltd.) are members of Diesslin, Lau & Associates, LCC. As of 9/30/15 the valuation of assets is \$2,017,331. Heide- Diesslin Family Trust C has acquired an equity interest of approximately 2.2% in the partnership. The partnership is fully-subscribed and closed to new investors.

DLA Equity, Ltd., is a limited partnership that was created to acquire a limited partnership interest in WCJ Davis 99, Ltd., a Texas limited partnership investing in real estate. Diesslin, Lau & Associates, LLC, is the general partner, and value of assets as of 9/30/15 is approximately \$520,957. Heide- Diesslin Family Trust C has acquired an equity interest of approximately 3.3% in the partnership. The partnership is fully-subscribed and closed to new investors.

DA Lease Ltd., is a limited partnership that was created for the purpose of acquiring and marketing oil and gas leases. DA Lease, GP, LLC, is the general partner (for which David Diesslin serves as the Manager), and as of 9/30/15 the value of assets is \$173,790. Heide-

Diesslin Family Trust C has acquired an equity interest of approximately 7.7% in the partnership. The partnership is fully-subscribed and closed to new investors.

DA InvestQ, Ltd., is a limited partnership that was created to invest through the medium of selected private investment funds. DG is the general partner, and as of 9/30/15 the value of assets is approximately \$4,135,140. The partnership may reopen to investors who are qualified purchasers as additional investment opportunities are identified. David H. Diesslin Revocable Trust has acquired equity interests of approximately 6.4% in the partnership.

DA Energy, Ltd., is a limited partnership that was created to invest in energy sector investments, including other limited partnerships, limited liability companies and direct investments. DA Lease, GP, LLC, is the general partner (for which David Diesslin serves as the Manager); as of 9/30/15 the estimated value of assets is \$3,376,538. Heide-Diesslin Family Trust C has acquired an equity interest of approximately 3.5% in the partnership. The partnership is fully-subscribed and closed to new investors.

DA Home Solutions, Ltd., is a limited partnership that was created to invest in Home Solutions Partners III, LP, and other partnerships that acquire first-lien, non-performing single-family residential mortgages with house/ land as collateral, from banks and other financial service companies. DG is the general partner, and as of 9/30/15 the value of assets is approximately \$1,063,442. David H. Diesslin, principal of the firm, has acquired equity interests through Heide-Diesslin Family Trust C of approximately 2.1% in the partnership. The partnership is fully-subscribed and closed to new investors.

DA InvestA, Ltd., is a limited partnership that was created to invest in private investment funds chosen by the general partner, DA Lease, GP, LLC (for which David H. Diesslin serves as the Manager) with the objective of capital appreciation. As of 9/30/15 the value of assets is approximately \$1,796,500. David H. Diesslin Revocable Trust has acquired equity interests of approximately 1.8% in the partnership. The partnership may accept new investors who are accredited.

Diesslin Energy Opportunities Fund I, Ltd., is a limited partnership that was created to invest in energy sector investments, including other limited partnerships, limited liability companies and direct investments. Diesslin Energy Opportunities Fund GP, LLC, is the general partner (for which David Diesslin and Brad Bourland serve as the Managers); as of 9/30/15 the estimated value of assets is \$1,421,562. David H. Diesslin Revocable Trust and Brad Bourland have acquired an equity interest of approximately 3.0% and 1.5% in the partnership respectively. The partnership is fully-subscribed and closed to new investors.

Diesslin Real Estate Opportunities Fund I, Ltd., is a limited partnership that was created to invest in real estate sector investments, including other limited partnerships, limited liability companies and direct investments. Diesslin Real Estate Opportunities Fund GP, LLC, is the general partner

(for which David Diesslin and Brad Bourland serve as the Manager); as of 9/30/15 the estimated value of assets is \$278,275. David H. Diesslin Revocable Trust and Brad Bourland have acquired an equity interest of approximately 6.8% and 1.4% in the partnership respectively. The partnership is fully-subscribed and closed to new investors.

Diesslin Private Equity Opportunities Fund I, Ltd., is a limited partnership that was created to invest in private equity sector investments, including other limited partnerships, limited liability companies and direct investments. Diesslin Private Equity Opportunities Fund GP, LLC, is the general partner (for which David Diesslin and Brad Bourland serve as the Manager); as of 9/30/15 the estimated value of assets is \$1,745 and the initial capital call commenced in December of 2015. Brad Bourland has acquired an equity interest of approximately 1.5% in the partnership. The partnership is fully-subscribed and closed to new investors.

In addition, some of DG's clients, and members of the firm, have invested in the following:

Marketocracy, Inc., is a non-publicly-traded California C-Corporation in which DG and some of the employees and clients are holders of 8.85% of the common stock with an estimated value of \$162,542.27. DG employees and clients are also holders of Series Seed Preferred stock: 19.00% of outstanding shares, as of 9/30/15 estimated value of \$ 84 6,292.95. David H. Diesslin Revocable Trust owns 2.92% of the common stock and 5.46% of the Series Seed Preferred. David H. Diesslin serves on the Board of Directors of Marketocracy.

Investment V, Inc., is a Texas S-Corporation that was created in 1989 for the purpose of acquiring a commercial real estate asset. DG clients own 63% of the shares, and David H. Diesslin, its President, owns 5.7% of the shares of the corporation in David H. Diesslin Revocable Trust, Investment V is closed to new investors. As of 9/30/15 the estimated value is \$1,500,000.

DG also offers limited partnerships and LLCs sponsored by Five States Energy Company, LLC ("Five States"), with Five States as general partner or manager. Clients and DG employees have invested in the following:

<u>Partnership or LLC</u>	<u>6/30/14 Total Market Value</u>
Five States Consolidated I, Ltd.	\$14,405,780
Five States Consolidated II, Ltd.	\$39,811,473
Five States Consolidated III, Ltd.	\$19,721,581
FSEC1-1, LLC	\$63,943,655
FSEC1-7, LLC	\$145,745,568
FSEC2-1, LLC	\$8,135,000
FSEC2-7, LLC	\$25,547,500

FS Tonti Acquisition Fund I, LLC	\$84,783,481
FS Tonti Acquisition Fund II, LLC	\$24,378,406

David H. Diesslin Revocable Trust owns 0.5867% interest and the Heide-Diesslin Family Trust C owns .214% interest in Five States Energy Company, LLC.

BROKERAGE PRACTICES

In most cases, DG requests that its clients establish brokerage accounts with one of two brokerage firms, Charles Schwab & Company or Fidelity Investments, to maintain custody of their assets and to effect trades for their accounts. Those firms charge comparable fixed commission rates that vary according to the type of trade (i.e., mutual fund, individual equity, electronically-placed, etc.); there are no additional fees for custody services. DG acknowledges that investment advisors have a fiduciary duty to their clients and are paid to act in their clients' best interest, including "best execution" of securities trades. However, in obtaining the best value for its clients, an advisor is permitted to take into consideration both quality of trade execution and other brokerage services, as well as commission rates.

DG believes that the commission rates charged by the two brokerage firms are fair, reasonable and competitive. Although those rates may not be the lowest available in the industry, other brokerage firms do not currently provide the range or quality of services that are described above. However, DG's Brokerage Oversight Committee will conduct a review of the firm's brokerage relationships on at least an annual basis. The review will consist of both quantitative (commission costs) and qualitative (trade execution, custody services, back-office support, compatible computer access, daily downloads of client transactions and holdings, etc.) factors in determining brokerage firm selection.

DG has established relationships with Schwab and Fidelity for the following reasons:

Schwab Institutional

The Schwab Institutional division of Charles Schwab & Company, Inc., is the leading provider of custodial, operational and trading support for independent, fee-based investment advisors. Its services include brokerage, custody, research and access to more than 5,000 mutual funds (many of which are exclusively available to investment advisors, and most of which are no-load and no-transaction-fee), as well as individual equity and fixed-income investments, and a group of professionals who provide support for account operational needs. Schwab Institutional also makes available to advisors other products and services that benefit the advisor in providing its services, but may not directly benefit its client's accounts, including software and other technology that: provide access to client account data (such as trade confirmations and account

statements) and online account initiation and management forms; facilitate online trade execution; provide research, pricing information and other market data; facilitate payment of the advisor's fees from its clients' accounts; and assist with record-keeping and client reporting. Schwab Institutional may also provide an advisor with other services unrelated to client accounts, including publications, conferences and other presentations on such topics as information technology and regulatory compliance, which may indirectly benefit all of its clients, including those not maintained at Schwab Institutional. The foregoing products and services are made available to the advisor at no additional charge to its clients, and they are not contingent upon the advisor's committing to Schwab Institutional any specific amount of business, other than a requirement that at least \$10 Million of the advisor's clients' assets be maintained in accounts at Schwab Institutional.

Fidelity Institutional Wealth Services

The Fidelity Institutional Wealth Services division of Fidelity Investments ("Fidelity") is the second-largest provider of custody and brokerage services for clients of investment advisors. Fidelity provides access to more than 5,600 mutual funds (many of which are no-load and no-transactions-fee), as well as individual stocks and bonds. Like Schwab Institutional, Fidelity provides state-of-the-art electronic trading, portfolio management, recordkeeping and reporting systems, as well as a team of professionals to provide account operational support. In addition, it provides publications and other information on regulatory compliance and other investment-management-related topics that benefit the advisor in providing its services, but may not directly benefit its clients' accounts, and such products and services are made available to the advisor at no additional charge to its clients and without committing a specific amount of business to Fidelity.

DG does not utilize "soft dollar" or "free research" arrangements with any brokerage firms in exchange for higher transaction fees. The firm receives de minimis research and non-research services from Charles Schwab & Company and Fidelity Investments, which may directly and indirectly benefit all of its clients. While as a fiduciary, DG endeavors to act in its client's best interests, DG's request that clients maintain their assets in accounts at Schwab or Fidelity may be based in part on the benefit to DG 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, which may create a potential conflict of interest.

As is mentioned above, DG requests that clients use Schwab or Fidelity, however, the final decision is the client's and they may opt to go with a different brokerage firm. If the client chooses to direct their brokerage, DG may not be able to achieve the most favorable execution of client transactions. As a result, client directed brokerage could cost the client money in the form of higher brokerage commissions due to an inability for DG to aggregate orders to reduce transaction costs.

REVIEW OF ACCOUNTS

Client accounts are reviewed at least annually. Each portfolio's asset allocation, security holdings and cash positions are reviewed and evaluated for compliance with the portfolio's investment objective and suitability for the client's risk tolerance. Portfolios are also reviewed at the end of the year for tax-related sales. Portfolio adjustments that are required due to changes in a client's financial situation or goals, as communicated in meetings with the client or otherwise, are executed immediately. Assets, and their relationship to current market and risk conditions, are reviewed and monitored continuously; the analysis is based on data from sources (such as Morningstar and Bloomberg) that the firm deems to be reliable. When a certain security is deemed no longer attractive based on the portfolio managers' analysis of its fundamentals, it will generally be sold (or recommended for sale) from all client accounts. Asset management reviewers include: David H. Diesslin, B.S., M.B.A., CFP®, Chairman; D. Bradley Bourland, B.B.A., M.B.A., President & Chief Executive Officer ; and Charles Denison, B.B.A., Manager of Asset Management Services; and Scott B. Reasor, B.B.A., Asset Management Associate.. If ongoing financial planning services are requested, reviewers include: Norman "Rocky" Farr, CFP®, EA, ATA, Vice President & Manager of Financial Planning and Shawn L. Gray, B.B.A., Vice President, Manager of Information Technology & Chief Compliance Officer and Financial Planning Associate.

Asset management clients receive quarterly reports from the firm that include an asset management report describing overall market results for the quarter, an economic and market commentary, account holding summary of valuations and performance returns. On a monthly basis, clients receive asset statements and transaction reports directly from the client's custodian. In most instances these reports detail the pricing of assets, the transaction history for the period, and management fees paid from the account. Financial Planning clients initially receive a Financial Analysis, the scope of which may include review and recommendations on cash flow, investments, retirement planning, non-business insurance, personal tax, estate planning, education funding, and other related issues as requested by the client and specified in a scope of engagement letter. The firm provides subsequent comprehensive annual financial planning reviews for clients who pay an ongoing financial planning retainer fee and provide the information requested by the firm for the review, and may provide a financial review, the scope of which will be at the firm's discretion, for any other clients who request it.

CLIENT REFERRALS AND OTHER COMPENSATION

DG does not utilize "soft dollar" or "free research" arrangements with any brokerage firms in exchange for higher transactions fees. The firm receives de minimis research and non-research services from Charles Schwab & Company and Fidelity Investments, which may directly and indirectly benefit all of its clients. While as a fiduciary, DG endeavors to act in its clients' best

interests, DG's request that clients maintain their assets in accounts at Schwab or Fidelity may be based in part on the benefit to DG 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, which may create a potential conflict of interest.

DG may act as a General (or Managing) Partner, or be affiliated with the general partner in partnership investments that are offered to clients. As a general or managing partner, DG or related persons may receive fees for the management of the "business" of those partnerships, as well as distributions resulting from equity ownership in such partnerships or in Five States Energy Company, L.L.C. (the sponsor and general partner of several partnership investments). Each new client receives a "Disclosure Statement" concerning DG's relationship in such investments.

In the case of alternative investments, DG may allow product sponsors to defray the firm's direct costs by assisting in the review and analysis of investments, and providing research databases. If such sponsors provide DG with investment research in exchange for commissions, full disclosure will be made to the affected clients. The purpose of this usage of defrayal of direct expenses is to keep the cost to the client at a minimum. Any such issues are fully disclosed to the client prior to any investment being made.

From time to time, David H. Diesslin or Brad Bourland may serve on corporate and advisory boards, which may or may not involve compensation for service. David currently serves as a Non-Interested Trustee/ Financial Expert of Rogé Partners Funds, which pays no compensation for his services at this time.

CUSTODY

All DG client assets are held by a custodian. Clients receive asset statements and transaction reports directly from the client's custodian. These reports detail the pricing of assets, the transaction history for the period and management fees paid from the account. Clients also receive quarterly reports from DG. Clients should carefully review these statements in their entirety and should compare any correspondence generated by DG concerning their account with the statements provided by their custodian.

Although DG does not have physical custody of clients' accounts, the firm meets the definition of "custody" under federal securities laws because DG's investment advisory agreement allows for automatic debit of management fees from clients' accounts. An invoice is submitted to the custodian for the fees to be debited, and DG also sends a statement to clients stating the amount debited and how it was calculated.

In addition, DG has custody as defined under federal securities laws when the firm serves as the general or managing partner of a partnership in which clients have invested, or if DG or one of

its employees serves as a fiduciary for a client. In such cases, the physical custodian of such assets sends statements to clients on at least a quarterly basis and a surprise examination by an independent public accountant is performed annually to verify the assets.

INVESTMENT DISCRETION

All discretionary-account clients sign a brokerage Limited Power of Attorney that authorizes DG to execute transactions and negotiate fees and commissions on the client's behalf. Only designated staff members are permitted to authorize and execute trades for client accounts. Any limitations to this discretionary authority that the client requests must be submitted in writing and may be amended by the client in writing at any time.

VOTING CLIENT SECURITIES

DG does not vote proxies on behalf of clients, and proxy statements and related materials received by DG will not be retained. Clients may vote their own proxies by instructing their brokerage firm to send issuer communications directly to them, and they are encouraged to do so. Clients may contact DG with any questions they may have about a particular solicitation. DG's policies and procedures concerning proxy voting will be provided upon written request.

FINANCIAL INFORMATION

DG does not require prepayment of fees of more than \$1,200 six or more months in advance of providing services and therefore is not required to provide a balance sheet. DG has no other financial commitments that would impair its ability to meet contractual and fiduciary commitments to its clients, and the firm has not been the subject of bankruptcy proceedings.