

**Part 2A of Form ADV: Firm Brochure**

**Item 1      Cover Page**

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March 28, 2013

This Brochure provides information about the qualifications and business practices of Symphonic Financial Advisors (“Adviser” or “Symphonic”). If you have any questions about the contents of this Brochure, please contact us at by telephone at (212) 702-3500 or by email at [mfg@rochdale.com](mailto:mfg@rochdale.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Symphonic is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Symphonic is a registered investment adviser with the SEC. Registration of an investment adviser with the SEC or with any state securities authority does not imply any level of skill or training.

## **Item 2            Material Changes**

### **MATERIAL CHANGES**

July 2, 2012

On July 2, 2012, City National Bank acquired 100% of Rochdale Investment Management (aka “City National Rochdale”). To reflect that change in control, City National Rochdale’s disclosures were updated as follows:

- Item 4 – New ownership of the Advisor.
- Item 10 – City National Rochdale is now affiliated with City National Corporation and City National Bank. The Advisor receives benefits, such as shared purchasing of programs or products and business advice and assistance, from those affiliations and shares some key personnel with those firms, including City National Rochdale’s Chief Executive Officer and Chief Investment Officer.

February 12, 2013

- Item 1 – Effective January 17, 2013, Francesco Michael Gozzillo became the Chief Compliance Officer.

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## **Item 4            Advisory Business**

### **A.            General Description of Advisory Firm**

Symphonic Financial Advisors (the “Adviser” or “Symphonic”), a limited liability company organized under the laws of the State of Delaware, was formed on May 11, 2005. The Adviser’s principal place of business is in New York, New York.

Symphonic is an indirect subsidiary of City National Bank (“CNB”). CNB is owned by City National Corporation, a financial services holding company which is publicly held (NYSE: CYN).

### **B.            Description of Advisory Services**

Symphonic provides money management services to clients primarily on a discretionary basis. Symphonic works with clients to determine their portfolio needs and limitations and designs an asset allocation and investment objective plan to meet their goals. Thereafter, Symphonic investment advisors implement each plan, working directly with the client, on a one-on-one basis. This includes working with a client’s already existing portfolio to build out an appropriate Symphonic portfolio (i.e., utilizing existing securities where appropriate), managing across multiple accounts (IRA’s, trust, personal, joint, etc.), allowing clients to place restrictions on securities (industry, sector, etc.), or types of securities (options, derivatives, etc.) or investment strategies (large cap, international, alternative, etc.), and managing a client’s portfolio to meet specific distribution needs and tax goals. The Adviser may not be able to accommodate some restrictions for client investments in pooled investment vehicles. Except for the portion of an account that is invested in pooled vehicles, each client’s account is managed separate from other clients of Symphonic (i.e., not commingled, securities are purchased in their personal accounts).

Clients may choose from a variety of programs, depending on their investment objectives, financial position and level of assets to be placed with Symphonic. In working with clients to implement individualized investment programs, Symphonic may recommend the use of various investment funds managed by Symphonic’s affiliates to capture potential return from specified assets classes. These funds include the several investment portfolios of Rochdale Investment Trust, an open-end investment company registered under the Investment Company Act of 1940. These portfolios include: Rochdale Large Growth, Rochdale Large Value, Rochdale Dividend and Income, Rochdale Intermediate Fixed Income, Rochdale Emerging Markets and Rochdale Fixed Income Opportunities Portfolios (collectively, “RIT Funds”).

Symphonic also makes available to its clients who satisfy the suitability requirements interests in other registered investment vehicles which are managed by City National Rochdale an affiliated investment advisory firm. These include Rochdale High Yield Alternative Strategies Master Fund, Rochdale High Yield Alternative Strategies Fund and Rochdale High Yield Alternative Strategies Fund TEI (collectively “RHYAS”), Rochdale International Trade Fixed Income Fund (“RITFI”), Rochdale Structured Claims Fixed Income Fund (“RSCFIF”), Rochdale Alternative Total Return Fund (“RATRF”) (collectively, the “Registered Funds”).

Symphonic also makes available to its clients who satisfy certain suitability requirements interests in other investment vehicles managed by Symphonic that are not registered under the Investment Company Act. As of the date of this Brochure, these include Rochdale Offshore Global Opportunities Fund (“ROGOF”), Rochdale Offshore Global Diversified Fund (“ROGDF”), Rochdale GML Trade Finance Income Fund, (“RGTFIF”) Rochdale Alternative Total Return Offshore Fund (“RATROF”), Rochdale Royalty Rights Fund (“RRRF”) and Rochdale Royalty Rights Offshore Fund (“RRROF”) (collectively, the “Alternative Funds”). The RIT Funds, Registered Funds and Alternative Funds are collectively referred to as the “Funds.” Symphonic or City National Rochdale may organize other investment funds in

the future. City National Rochdale receives fees for services to the Funds.

Advisory programs available through Symphonic are described below. Note that the fees and expenses associated with each program may differ (“See “Fees and Compensation” in this Brochure.)

Galaxy<sup>TM</sup> Asset Allocation Program (“GAAP”). GAAP enables risk profiling, target asset class allocation, standard mutual fund implementation of target asset class allocation, customization of mutual fund implementation, proposal generation, portfolio implementation based on implementation model, and portfolio management through periodic and/or event driven rebalancing.

Money Management Program. Intelligently personalized and customized portfolio implementation and management for clients that meet the program’s minimum net worth requirements (\$1M portfolio value and above across all accounts managed). Clients in this program will be referred to City National Rochdale, which will act as a co-advisor on the accounts.

Services provided by Symphonic are governed under the terms of an advisory agreement between Symphonic and each client. The agreement may be terminated at any time upon 30 days written notice by either party, without penalty. See “Fees and Compensation” in this Brochure.

### **C. Client Assets Under Management**

As of December 31, 2012, the Adviser had \$96.4 million in client assets under management. All of the assets are managed on a discretionary basis.

## Item 5 Fees and Compensation

### A. Advisory Fees and Compensation

#### Galaxy Asset Allocation Program Fee Schedule

For GAAP accounts, Symphonic will charge a platform fee according to the following schedule:

| <u>Value of Account</u>  | <u>Fee</u> |
|--------------------------|------------|
| On the first \$100,000   | 0.35%      |
| On the next \$250,000    | 0.30%      |
| On assets over \$350,000 | 0.25%      |

In addition to the GAAP platform fee, clients will be assessed a fee ranging from 0.25%-1.25% for services provided by investment advisor representatives of Symphonic. These services may include risk profiling, asset allocation, portfolio analysis, insurance services, retirement and estate planning.

#### Money Management Program.

The table below sets forth Symphonic's basic fee schedule. Symphonic provides investment advisory services and charges an investment management fee of up to 1.00% per annum, depending on the type and market value of the account, as noted in the table below.

| <u>Value of Account</u>  | <u>Program Fee</u> |
|--------------------------|--------------------|
| First \$2 Million        | 1.00%              |
| Next \$3 Million         | 0.80%              |
| Next \$5 Million         | 0.60%              |
| Amount Over \$10 Million | 0.50%              |

In addition to the program fee, clients will be assessed a fee ranging from 0.25%-1.25% for services provided by investment advisor representatives of Symphonic. These services may include risk profiling, asset allocation, portfolio analysis, insurance services, retirement and estate planning.

Symphonic's fees may be negotiable, at Symphonic's sole discretion, and thus may vary from the above schedule, depending on the size of the account and other factors. For the most part, fees are payable quarterly, in advance.

### B. Payment of Fees

The Client agrees in its agreement with the Adviser to authorize the Adviser to deduct the management fee from client's custodial account.

### C. Prepayment of Fees

For clients who pay Management Fees to the Adviser quarterly in advance, upon the termination of a client account during a calendar quarter, the management fee will be prorated for the days remaining in that calendar quarter and any prepaid, unearned fees will be refunded to the relevant client.

### D. Other Fees

Symphonic's investment management fees generally are exclusive of brokerage commissions, transaction fees, and other related costs which will be incurred by the client. Clients may incur other charges

imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. For accounts that use the custody and brokerage services of RIM Securities or Symphonic Securities (affiliates of Symphonic), Symphonic and its employees and officers may receive a benefit from the additional fees paid by clients.

Some Symphonic investment adviser representatives may offer financial planning services to their advisory clients at an additional fee. Generally, there will be an hourly charge for these services which will be paid in addition to any asset-based advisory fees listed above.

Mutual funds, other pooled funds and ETFs also charge internal management fees which are disclosed in a fund's prospectus or subscription documents. Such charges, fees and commissions are exclusive of and in addition to Symphonic's fee, and, except for the Funds managed by City National Rochdale, Symphonic and its affiliates shall not receive any portion of these commissions, fees, and costs. In many cases, the client could invest in the same mutual fund or ETF without paying a fee to us but would then not have the benefit of the advice, review and monitoring we provide.

City National Rochdale receives investment advisory fees from the Funds out of which City National Rochdale pays sub-advisers who provide day-to-day investment advisory services to certain Funds. The fees that City National Rochdale receives are disclosed in each Fund's prospectus or offering documents and are subject to negotiation with the Funds' Boards of Trustees.

Symphonic may recommend to clients that they purchase shares of the RIT Funds and other mutual funds that are advised or sub-advised by affiliates. Symphonic and its affiliates may receive fees at both the fund level and the portfolio level, except for ERISA accounts. For Symphonic ERISA accounts invested in the RIT Funds or other affiliated mutual funds, Symphonic will credit back to the client those portfolio level advisory fees attributable to those fund holdings.

Symphonic may also recommend to clients that they purchase shares of products other than the RIT Funds, for which Symphonic will collect a fee at the account level and an affiliate will collect a fee at the product level. Such products include but are not limited to LPI, RCAS, ROGOF, ROGDF, RITFI, RGTFIF, RSCFI, RATRF, RRRF and the Federated Intercontinental Fund.

RIM or Symphonic Securities acts as the broker for a majority of the client accounts that purchase shares of the Funds. Therefore, these affiliated broker-dealers receive additional compensation in the form of 12b-1 fees, service fees or other trails, which are fees that are charged to clients that maintain shares of the Funds.

City National Rochdale receives shareholder servicing fees paid by the Funds to compensate City National Rochdale for services including legal, marketing and accounting support. These and other fees are described in greater detail in the Funds' prospectus or offering documents. These fees paid to affiliated entities may indirectly benefit Symphonic.

Other than the Funds managed by Symphonic's related persons, neither Symphonic nor any of its related persons receive any form of compensation from any recommended mutual funds, private investment funds, or investment managers. For additional information on the fees received by Symphonic or its related persons for services to the Funds, see Item 10 - Other Financial Industry Activities and Affiliations and Item 12 - Brokerage Practices.

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

Some of the Alternative Funds managed by City National Rochdale are subject to the payment of performance fees once certain minimum performance benchmarks are met; all such arrangements are described in the offering documents associated with such vehicles. These arrangements benefit Symphonic's affiliate, but do not result in the receipt by any Symphonic employee of performance or incentive compensation. The strategies and securities purchased in the Alternative Funds are not purchased for individual accounts, except as part of their investment in the Alternative Funds. Symphonic does not have any side-by-side management of performance fee accounts and asset-based fee accounts.



**Item 7            Types of Clients**

Symphonic's clients consist primarily of individuals. Other clients include institutional clients, such as pensions and profit sharing plans, and charitable organizations.

The Adviser may request clients to provide proof of authority, directed trading letters, qualified client or qualified purchaser status, accredited investor certifications, and/or other information to allow the Adviser to manage client assets.

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

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. These methods entail an evaluation of investment opportunities using fundamental, technical, quantitative and qualitative analyses to determine the intrinsic value of securities and other types of instruments.

The Adviser employs the following investment strategies:

*Dynamic Equity Risk Management.* The Adviser engages in a dynamic equity risk management investment strategy wherein the Adviser manages excessive and extreme risk as it relates to individual client risk profiles. The Adviser manages portfolio risks and relates client specific Investment Policy Statement goals to Symphonic's portfolio strategy, recession monitor and fundamental outlook

*Equity.* The Adviser's equity strategy focuses on a broad range of equity investment styles, including growth, core, and value, as well as portfolios designed to be "style-neutral." Client accounts may focus on specific ranges on the capitalization scale, from micro-cap, through small-cap, mid-cap and large-cap, to mega-cap or may invest in more than one capitalization category or across all capitalization levels.

*Fundamental Value.* The Adviser engages in a fundamental value investment strategy wherein the Adviser attempts to invest in asset-oriented securities the Adviser believes are undervalued by the market.

*Growth.* The Adviser engages in a growth investment strategy wherein the Adviser attempts to select securities of a company whose earnings the Adviser expects to grow at an above-average rate compared to the company's specific industry or the overall market.

*Hedging.* The Adviser utilizes a variety of financial instruments such as derivatives and options for risk management purposes.

*Relative Value.* The Adviser pursues relative value strategies by taking long positions in securities believed to be undervalued.

*High Dividend and Income.* The Adviser pursues high dividend and income strategies by taking long positions in companies with high dividend growth potential.

These methods, strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire contribution/investment.

**B. Material Risks (Including Significant or Unusual Risks) Relating to Investment Strategies**

*Issuer-Specific Changes.* Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

*Relative Value Risk.* In the event that the perceived mispricings underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts may incur a loss.

*Leverage.* Performance may be more volatile if a client's account employs leverage.

*Hedging.* There can be no assurances that a particular hedge is appropriate, or that certain risk is measured properly. Further, while the Adviser may enter into hedging transactions to seek to reduce risk, such transactions may result in poorer overall performance and increased (rather than reduced) risk for the

Adviser's investment portfolios than if the Adviser did not engage in any such hedging transactions.

*Frequent Trading.* The Adviser may use frequent trading which results in significantly higher commissions and charges to client accounts due to increased brokerage, which will offset client profits.

### **C. Risks Associated with Types of Securities that are Primarily Recommended**

*Equity Securities.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and growth stocks can react differently from value stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

*Fixed-Income and Debt Securities.* Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities subject a client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in lower-rated debt securities will subject the investments to the risk that the securities may fluctuate more in price and be less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

*Security Futures and Options.* In connection with the use of futures contracts and options, there may be an imperfect correlation between the change in market value of a security and the prices of the futures contracts and options in the client's account. In addition, the Adviser's investments in security futures may be effected by a lack of a liquid secondary market for a futures contract and the resulting inability to close a futures position prior to its maturity date.

*Alternative Investments and Hedge Funds of Funds.* Hedge funds and alternative investments are speculative and may entail substantial risks. Investing in small and medium-size companies and REITs may carry additional risks such as limited liquidity and increased volatility. Investing in international companies carries risks such as currency fluctuation, interest rate fluctuation, and economic and political instability. Investing in a non-diversified fund involves greater risk than investing in a diversified fund. Short sales may increase volatility and potential for loss. It may be difficult to accurately value all of the investments held and the investments may be illiquid.

*Exchange Trade Funds ("ETF").* An ETF is a registered investment company that seeks to track the performance of a particular market index. Investing in an ETF generally offers instant exposure to an index or a broad range of markets, sectors, geographic regions or industries. When investing in ETFs, shareholders bear their proportionate share of the ETF's expenses. An investment in an ETF exposes a client to the risks of the underlying securities in which the ETF invests. Also, although ETFs seek to provide investment results that correspond generally to the price and yield performance of a particular market index, the price movement of an ETF may not track the underlying index.

*Market and Management Risk.* Markets may experience volatility and go down in value, possibly sharply and unpredictably. All decisions by Symphonic require judgment and are based on imperfect information. Additionally, the investment techniques, risk analysis and investment strategies used by Symphonic in making investment decisions may not produce the desired results.

**Item 9                    Disciplinary Information**

Neither Symphonic nor any of its employees have been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

**Item 10****Other Financial Industry Activities and Affiliations**City National Bank and City National Corp.

Symphonic is indirectly, wholly-owned by City National Bank (“CNB”), a bank which is wholly-owned by City National Corporation (“CNC”). CNC also directly and indirectly owns and maintains ownership interests in other asset management firms. Certain senior executives, including the Chief Executive Officer and the Chief Investment Officer, of Symphonic are dual officers of Symphonic and CNB. They serve equivalent functions at both Symphonic and the Wealth Management division of CNB.

CNB and its affiliates make available opportunities for cooperative purchasing of certain administrative programs and products. CNB also provides Symphonic with advice and assistance on general business issues unrelated to the investment advisory services provided by Symphonic. Except as described in this Item 10, Symphonic operates independently from each of CNC’s investment advisory affiliates, does not conduct joint operations with any of these affiliated investment advisers and does not provide investment advice that is formulated, in whole or in part, by such affiliated investment advisers.

Symphonic and CNB share certain portfolio and client data in an effort to better serve their clients and provide a broader range of portfolio management services. Symphonic and CNB may use the other’s portfolio managers to sub-advise portions of their client portfolios or may provide model portfolios for certain strategies to the other to use to manage a portion of their client portfolios. Neither CNB nor Symphonic will receive any compensation for providing these services or models to the other.

Other Related Investment Advisors

Certain employees of Symphonic serve as officers, directors, analysts and/or portfolio managers of City National Rochdale, an SEC registered investment advisor. City National Rochdale is indirectly wholly-owned by CNB. Certain Symphonic clients are sub-advised by City National Rochdale.

Symphonic employees may refer potential clients to City National Rochdale or recommend that clients invest in City National Rochdale’s affiliated investment companies or pooled investment vehicles. As a result, those Symphonic employees may receive a portion of the fees paid to City National Rochdale. Additional information on referral arrangements with City National Rochdale and other affiliates is in Item 14 – Client Referrals and Other Compensation.

Symphonic may recommend that clients invest in mutual funds or private investment funds which are managed by related investment advisors which are operationally independent of Symphonic. Both Symphonic and the related investment advisor will receive advisory fees on those assets.

Broker-Dealers

Certain employees of Symphonic serve as officers, directors, and/or registered representatives of RIM Securities, LLC (“RIM”) and Symphonic Securities LLC (“Symphonic Securities”). RIM and Symphonic Securities are registered broker dealers with the Financial Industry Regulatory Authority (“FINRA”). Each of these entities is also indirectly wholly-owned by CNB.

Client accounts that are advised by Symphonic may be custodied at RIM or Symphonic Securities and their brokerage will be directed to that affiliate. Registered representatives of the affiliated firms who are also investment adviser representatives of Symphonic may receive payment related to the execution of these trades. Affiliated brokers do all OTC trades for Symphonic accounts on an agency basis.

When clients choose to use affiliated broker dealers for custody and/or brokerage, Symphonic’s related

entities will earn fees for the custody and brokerage services in addition to Symphonic's investment advisory fees. Symphonic regularly reviews the fees that its affiliates charge to ensure that they are comparable to fees that the clients would pay through other custodians or broker-dealers who would provide similar services. Commission and fee schedules are available upon request.

#### Alternative Funds

Symphonic has related persons who are General Partners in various private investment partnerships organized as limited partnerships in which client funds are invested. These partnerships provide alternative investment opportunities for qualified investors. The Alternative Funds utilize the services of RIM as the distributor of the Funds.

#### Insurance Agency

Certain employees or investment advisor representatives of Symphonic serve as officers, directors and/or agents of Symphonic Insurance Agency LLC. Symphonic employees provide management oversight of this affiliated firm. Investment advisor representatives may recommend insurance products when reviewing the clients' circumstances and requirements.

#### Investment Companies and Pooled Investment Vehicles

Symphonic may recommend that clients invest in the Funds, as discussed in greater detail in Item 4 – Advisory Business. Symphonic's affiliates collect a fee from each of the Funds and there is an inherent conflict of interest in recommending these funds because doing so may give Symphonic an incentive due to the compensation received by their affiliates. Symphonic believes that investments in the Funds are in the best interests of the clients and gives consideration to client needs such as diversification and access to managers that would otherwise not be accessible.

For the RIT Funds, Symphonic generally mitigates this conflict of interest by crediting back to clients all or a portion of the advisory fees on their holdings of the RIT Funds. See Item 5 – Fees and Compensation for additional disclosure of the RIT Funds fee credits.

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

**A.                      Code of Ethics**

Symphonic has adopted a Code of Ethics (the “Code”) expressing the firm’s commitment to ethical conduct. Symphonic’s Code of Ethics describes the firm’s fiduciary duties and responsibilities to clients and sets forth the practice of supervising personal securities transactions of employees and investment advisor representatives. Individuals associated with Symphonic may buy or sell securities for their personal accounts identical to or different from those recommended to clients. It is the express policy of Symphonic that no person associated with Symphonic shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.

To supervise compliance with the Code, Symphonic requires that employees and others with access to advisory recommendations or other inside information (“Access Persons”) provide quarterly securities holdings reports and quarterly transactions reports to the Compliance Department. Symphonic also requires all Access Persons to obtain approval from the Compliance Department prior to effecting transactions meeting certain criteria in their own accounts or accounts in which they have a beneficial interest. All individuals employed by or affiliated with Symphonic must sign, no less than annually, an attestation confirming their receipt and comprehension of the Code. Symphonic’s Code further includes the firm’s policy prohibiting the use of material non-public information.

Symphonic requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisors. Certain employees are also subject to the ethics rules for broker dealers, professional designation practices and other ethics rulemaking bodies. Any individual not in observance of the Code may be subject to discipline.

Symphonic will provide a complete copy of its Code of Ethics to any client upon request.

**B.                      Client Transactions in Securities where Adviser has a Material Financial Interest**

Symphonic has discretionary authority over its clients’ investment accounts and initiates the transactions in such accounts. When a client chooses to use an affiliated broker for custody and trading, that related person receives commissions for executing transactions. Item 10 – Other Financial Industry Activities and Affiliations has additional information on fees received by related broker-dealers.

Symphonic may, from time to time, facilitate the purchase and sale of a security between two or more clients. This is known as an “internal cross” transaction and is only performed under client authorization. Prior to engaging in an internal cross transaction, Symphonic will ensure that the transaction is in the best interest of all client parties involved by ensuring the price is fair and properly disclosing all known potential conflicts. Neither Symphonic nor its affiliates will receive compensation for effecting internal cross transactions.

Symphonic may, from time to time, enter into transactions where client securities are purchased from or sold to brokerage customers of RIM or Symphonic Securities in what is known as an “agency cross” transaction. Symphonic will engage in these cross transactions when it is determined that doing so may provide a better execution opportunity though such a result is not guaranteed. If an agency cross transaction occurs, RIM or Symphonic Securities may receive commissions from both sides of the transaction with the clients’ consent. In no event will Symphonic or any affiliate act as a principal in such

transactions.

**C. Investing in Securities Recommended to Clients**

Symphonic and/or related persons may purchase, sell or hold positions in certain investments that are recommended to its clients. If Symphonic holds securities for itself that it also recommends to clients, Symphonic will recommend to clients the purchase or sale of those securities only if such transaction is consistent with the objectives of the client. Symphonic has procedures in place to monitor employee trading and requires pre-clearance of securities transactions to minimize the potential for conflicts with client trading.



## Item 12 Brokerage Practices

### A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions

Most clients direct Symphonic to use a specific broker-dealer for their accounts' transactions. These directed brokerage arrangements are described in detail below.

#### 1. Directed Brokerage

Most clients choose to direct Symphonic to execute the client's trades with a specified broker-dealer, including affiliated broker-dealers. When a client directs Symphonic to use a specified broker-dealer to execute all or a portion of the client's securities transactions, Symphonic treats the client direction as a decision by the client to retain, to the extent of the direction, the discretion Symphonic would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions for the client's account.

Although Symphonic attempts to effect such transactions in a manner consistent with its policy of seeking best execution, there may be occasions where it is unable to do so, in which case Symphonic will continue to comply with the client's instructions. Transactions in the same security for accounts that have directed the use of the same broker will generally be aggregated. When the directed broker-dealer is unable to execute a trade, Symphonic will select broker-dealers other than the directed broker-dealer to effect client securities transactions. A client who directs Symphonic to use a particular broker-dealer to effect transactions should consider whether such direction may result in certain costs or disadvantages to the client. Such costs may include higher brokerage commissions (because Symphonic may not be able to aggregate orders to reduce transaction costs), less favorable execution of transactions, and the potential of exclusion from the client's portfolio of certain foreign ordinary shares and/or small capitalization or illiquid securities due to the inability of the particular broker-dealer in question to provide adequate price and execution of all types of securities transactions.

When a client directs Symphonic to execute the client's trades through an unaffiliated broker-dealer, Symphonic will make no attempt to negotiate commissions on behalf of the client and such clients may pay materially disparate commissions depending on their commission arrangement with the specified broker-dealer. When a client chooses to direct Symphonic to execute the client's trade through RIM or Symphonic Securities, a Symphonic employee will generally be involved in negotiating the commission rate to be paid. See Item 10 – Other Financial Industry Activities and Affiliations for additional information about the review of RIM and Symphonic Securities commission and brokerage rates.

The commissions charged to directed brokerage clients may in some transactions be materially different than those of clients who do not direct the execution of their trades. Client's that direct Symphonic to execute the client's trades through a specified broker-dealer may also lose the ability to negotiate volume commission discounts on batched transactions that may otherwise be available to other clients of Symphonic.

Certain clients elect to custody their assets offshore, in these instances, executions are primarily done through the offshore bank's broker dealer arm. The commission rates are normally not negotiable but may be depending upon the size of the account, the client's relationship with the firm's representative, and other factors.

In deciding the execution priority for client accounts with directed brokers, Symphonic seeks to take a fair and equitable approach and rotate the time priority given to these accounts so that no one group of clients consistently receives executions prior to any other. The rotation sequence alternates daily between trades executed with affiliated brokers and those with unaffiliated brokers, so that clients who use affiliated brokers are never given priority in any two consecutive days. Additionally, trades are rotated among unaffiliated brokers in a uniform sequence. This procedure may be altered during extreme market conditions if it is

determined that following such procedures is likely to be detrimental to a large number of clients.

**B. Order Aggregation**

Symphonic often purchases or sells the same security for many clients contemporaneously and using the same executing broker. It is Symphonic's practice, where possible, to aggregate client orders for the purchase or sale of the same security submitted contemporaneously (or near the same time) for execution using the same executing broker. Such aggregation may enable Symphonic to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. However, in cases where the client has negotiated the commission rate directly with the broker, including negotiated rates with affiliated brokers, Symphonic will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the client will be precluded from receiving the benefit of any possible commission discounts that might otherwise be available as a result of the aggregated trade.

In cases where trading or investment restrictions are placed on a client's account, Symphonic may be precluded from aggregating that client's transaction with others.

If the order at a particular broker is filled at several different prices through multiple trades, generally all participating accounts will receive the average price. If an aggregated order is only partially filled, Symphonic's procedures are designed to provide allocations that are fair and equitable to clients. Generally, trades will be allocated randomly in an effort to minimize transaction costs for clients. Symphonic may also use other allocation methods, including pro rata, if the Adviser feels it would be in the best interests of the clients.

Symphonic or its related persons may participate in aggregate orders, but will not receive any preferential treatment in the price or allocation of the trade.

Allocation of IPO's: Symphonic may from time to time purchase shares in IPO's for client accounts.

Symphonic's policy and practice is to allocate IPO shares fairly and equitably among our advisory clients who are able to participate in the IPO so as not to advantage any firm personnel or related account and so as not to favor or disfavor any client or group of clients over any other. Directed brokerage arrangements may limit a client's ability to participate in IPO's.

## **Item 13            Review of Accounts**

### **A.            Frequency and Nature of Review**

Each client separate account is reviewed by the investment advisor representative, portfolio manager or his designee on an ongoing and regular basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, asset allocation, adherence to investment guidelines and the performance of each client account.

### **B.            Factors Prompting an Immediate Review of Accounts**

Significant market events affecting the prices of one or more securities in client accounts, changes in the investment objectives or guidelines of a particular client, or specific arrangements with particular clients may trigger reviews of client accounts on an immediate basis.

### **C.            Content and Frequency of Regular Account Reports**

Each client that is a separate account will receive quarterly reports from the Adviser. The reports will include a summary of assets, realized and unrealized capital gains and losses, and anticipated and actual income generated by the portfolio. Such reports may be delivered electronically to the client in accordance with the client's agreement with the Adviser.

Item 14            Client Referrals and Other Compensation

**A.            Economic Benefits Received from Non-Clients for Providing Services to Clients**

Symphonic benefits from research services obtained from a variety of brokerage firms. Please also see Item 12 – Brokerage Practices for a description of the services and benefits Symphonic receives from brokerage firms.

**B.            Compensation to Non-Supervised Persons for Client Referrals**

Symphonic may make cash payments to third-party solicitors for client referrals, provided that, to the extent required, each such solicitor has entered into a written agreement with the Adviser pursuant to which the solicitor will provide each prospective client with a copy of Symphonic’s Brochure and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Symphonic and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, and related SEC staff interpretations.

The majority of clients are introduced to Symphonic by third parties including independent financial planners, investment advisors, consultants, CPAs, attorneys, and representatives of broker-dealers (collectively, “Referring Partners”). Clients referred to Symphonic by a Referring Partner, enter into an investment advisory contract directly with Symphonic.

Referring Partners may provide to client (but are not required by Symphonic to do so) other services (hereinafter “Additional Services”), such as researching money management services, assisting clients with financial planning and investment objective-setting, coordinating communications between the client and the manager, and monitoring performance and services to insure that the clients’ needs are being met. Referring Partners may or may not provide these services and clients should review with Referring Partners those Additional Services that are being provided by Referring Partners and the fee assessed for those Additional Services. Symphonic may bill the client for the Referring Partners’ fees in addition to the Symphonic fees. In such cases, Symphonic will be responsible for the remittance to Referring Partners. For additional information, see Item 5 – Fees and Compensation. Any such Additional Services are provided solely by Referring Partners and not by, or on behalf of, Symphonic. Symphonic does not take any responsibility for the provision of those services and limits its participation in these arrangements to facilitating the payment of fees.

In addition, Symphonic may enter into other solicitation agreements between or among Symphonic and its affiliates.

## **Item 15           Custody**

Symphonic does not take possession of client funds or securities, nevertheless Symphonic has custody of some client assets through the direct debiting of management fees from client custodial accounts or related person's sponsorship of pooled investment vehicles in which our clients invest.

SEC rules require advisers that are deemed to have custody of client funds and securities to maintain those funds and securities with a "qualified custodian" in an account either under the client's name or under the adviser's name as agent or trustee for its clients. A "qualified custodian" is a regulated financial institution that customarily provides custodial services, including banks, savings associations, broker-dealers, and in some cases, futures commission merchants.

Symphonic provides investment management services only and does not provide the physical safe keeping of client assets as provided by a qualified custodian. It is Symphonic's policy to require its clients to use a third party custodian and when asked Symphonic will recommend custodians to clients. Symphonic has established procedures to avoid being deemed to have custody other than in limited circumstances mentioned above. Affiliated broker-dealers may serve as introducing broker for client accounts. Neither Symphonic nor the affiliated broker-dealer takes possession of any client funds or securities.

Clients should receive statements at least quarterly from the broker dealer, bank or other qualified custodian that holds and maintains their investment assets. Symphonic urges its clients to carefully review such statements and compare such official custodial records to the account statements that Symphonic may provide its clients. Symphonic's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16            Investment Discretion**

Symphonic generally receives discretionary authority from its clients at the outset of an advisory relationship. Pursuant to the terms of the standard Investment Advisory Agreement, Symphonic is not required to obtain specific client consent regarding securities or amounts to be bought or sold. However, Symphonic manages client accounts in accordance with the clients' stated investment objectives. Symphonic assumes all investment duties with respect to assets held in the investment management account and has all investment powers including sole investment authority, except that Symphonic is not authorized to withdraw any money or securities from the account without specific authority from the client. If assets are to be withdrawn in any name other than that of the account, the client must provide written instructions and authority.

For client accounts where Symphonic has not been granted discretion or where discretion is limited due to restrictions or directed brokerage, those restrictions may affect Symphonic's ability to perform the stated investment strategy and therefore, investment performance may deviate from other accounts managed in accordance with the same strategy.

For information regarding the impact of clients directing trading to affiliated brokers, see Item 10 – Other Financial Industry Activity and Affiliations.

## **Item 17            Voting Client Securities**

As a registered investment adviser with the SEC, Symphonic owes its clients a duty of care and a duty of loyalty at all times. This means that if granted the authority to vote proxies we must always vote in your best interest. We maintain copies of all proxy votes we cast on your behalf and will provide this information upon request.

In the client's investment advisory agreement, clients are given the option to delegate proxy-voting discretion to Symphonic. Symphonic will only exercise proxy-voting discretion over the client shares in the instances where clients give Symphonic discretionary authority to vote on their behalf.

When voting on behalf of clients, Symphonic utilizes the services of a neutral, third party, proxy voting service. This service provides Symphonic with recommendations on how proxies should be voted. In most instances, Symphonic casts clients' votes in accordance with the third party's recommendation. However, in the event we feel that the recommended vote is not in the clients' best interest we may vote against such recommendation. In those instances, Symphonic will keep an internal memorandum detailing the reasons for voting decision.

Symphonic will generally vote proxies for shares of the RIT Funds and Registered Funds that are held in client accounts. On regular business matters, Symphonic will vote with management on those issues. For any special votes, Symphonic will consult with outside counsel and make a determination to a) vote with management, as usual, b) vote with management and give notice in advance and an opportunity to opt out of Symphonic's voting to shareholders, or c) abstain from voting discretion and send proxy statements directly to all fund shareholders.

Other than for the RIT Funds and Registered Funds, Symphonic believes that we are unlikely to be in a situation that results in a material conflict of interest between our clients' interests and the interest of our firm. However, if a situation should arise where a material conflict of interest is determined to exist, Symphonic will make an effort to seek out the opinion of a qualified independent third party regarding this issue.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a client's proxies by contacting Francesco Michael Gozzillo (Chief Compliance Officer) by email at [mfg@rochdale.com](mailto:mfg@rochdale.com) or by telephone at (212) 702-3500.

**Item 18            Financial Information**

Symphonic has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.