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**FORM ADV PART 2A, BROCHURE**

This brochure provides information about the qualifications and business practices of Goldeneye Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 231-498-2175/info@gldneye.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Goldeneye Asset Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Goldeneye Asset Management, LLC is a Registered Investment Advisor. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **Table of Contents**

<b>Advisory Business .....</b>	<b>2</b>
<b>Fees and Compensation .....</b>	<b>5</b>
<b>Performance-Based Fees and Side-By-Side Management .....</b>	<b>8</b>
<b>Types of Clients .....</b>	<b>8</b>
<b>Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>8</b>
<b>Disciplinary Information .....</b>	<b>10</b>
<b>Other Financial Industry Activities and Affiliations .....</b>	<b>10</b>
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>11</b>
<b>Brokerage Practices .....</b>	<b>14</b>
<b>Review of Accounts .....</b>	<b>17</b>
<b>Client Referrals and Other Compensation .....</b>	<b>18</b>
<b>Custody .....</b>	<b>18</b>
<b>Investment Discretion .....</b>	<b>18</b>
<b>Voting Client Securities.....</b>	<b>19</b>
<b>Financial Information .....</b>	<b>22</b>
<b>Requirements for State-Registered Advisers .....</b>	<b>22</b>

## **Advisory Business**

### **Form ADV Part 2A, Item 4**

Goldeneye Asset Management, LLC's ("*Goldeneye Asset Management*" or "*Adviser*") registration was granted by the U.S. Securities and Exchange Commission on July 15, 2009. Registration was approved by the State of Michigan, April 5, 2010. Zachary Paul Liggett, CFA is Member, Chief Compliance Officer, and equity owner of the Adviser. Steven Willard King is Member and equity owner of the Adviser. Goldeneye Asset Management is not publicly owned or traded. There are no indirect owners of the Adviser or intermediaries who have any ownership interest in the Adviser. The Adviser manages each client portfolio on a customized basis. The Adviser does not sponsor any wrap program. As of March 1, 2011, the Adviser managed assets on a discretionary basis in the amount of \$5,100,000. Assets managed on a non-discretionary basis as of this date totaled \$200,000.

### **Advisory Services**

Goldeneye Asset Management, LLC offers professional *fee-only* financial and investment advisory services. The Adviser is available to provide tailored wealth management, financial planning, consulting, and investment management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, other investment professionals and business entities.

Goldeneye Asset Management is only compensated via a retainer arrangement or via hourly and project fees depending upon the scope of the engagement.

The term "fee-only" means that Goldeneye Asset Management is an independent Adviser and is compensated *only* in the form of advisory fees paid by clients. Advisory Representatives are not registered representatives of a broker/dealer and do not accept commissions for securities recommendations. Additionally, Goldeneye Asset Management and its Advisory Representatives do not accept commissions for recommending insurance products.

Goldeneye Asset Management offers **Wealth Management and Financial Consultation Services**. Wealth Management Services are ongoing in nature and provide for ongoing and continuous advice and services. Financial Consultation Services are hourly or project-based services and generally terminate upon delivery.

The Adviser may offer a complimentary general consultation to discuss services available, to give a prospective client time to review services desired, and to determine the possibility of a potential Client-Adviser relationship. Investment advisory services begin only after the client and Adviser formalize the relationship with a properly executed Client Agreement.

After the formal engagement and depending upon the scope of the engagement, the Adviser and client will share in a data gathering and discovery process in an effort to determine the client's needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested. The client and Adviser may complete a risk assessment, investment policy statement or similar document.

### **Wealth Management Services**

Wealth Management Services involve ongoing and continuous wealth planning and portfolio management services to Goldeneye Asset Management's private clients. The Adviser's Wealth Management Services can be comprehensive in nature and encompass financial planning and asset management services via an annual retainer arrangement.

Goldeneye Asset Management focuses on providing individualized services. In the delivery of initial and ongoing services, the Adviser will include a comprehensive review of the overall aspects of a client's current financial situation and consider both long and short-term objectives and goals, or as directed by the client.

After an analysis and data-gathering process and depending upon the nature of services desired, Goldeneye Asset Management may engage in the following:

- ❖ A review of an existing financial plan;
- ❖ An update of an existing financial plan;
- ❖ Preparation of a new financial plan;
- ❖ Existing portfolio review and analysis;
- ❖ Preparation of asset allocation recommendations;
- ❖ Preparation of an investment policy with the client's participation;
- ❖ Recommendation of specific investments;
- ❖ Implementation of an investment plan;
- ❖ Ongoing wealth management consultation in connection with the client's financial plan;
- ❖ Ongoing management of the client's investment portfolio.

The Adviser's Wealth Management Services are provided to clients invested in stocks, mutual funds, exchange traded funds and other assets, as outlined in the designed investment strategies. Services and investment recommendations to corporate retirement plans are limited to those offered within the plan.

The Adviser can tailor services to focus only on certain financial planning and/or portfolio components, depending upon the client's wishes and/or the nature of the engagement. However, where services or information are limited, clients must understand that comprehensive investment needs and or objectives may not be fully considered due to the

client's option to receive limited services, the lack of information received, and/or client disclosure.

The ongoing Wealth Management Services provided are based upon unique individual needs as stated by the client. Clients engaging Wealth Management Services must play an active role. The Adviser requires the client to participate in the financial and investment review; the development of a financial plan; the development of an investment policy or similar document; the development of the investment plan; and ongoing advice and recommendations. During the course of the engagement, clients may call the office at any time during business hours to discuss their financial plan, their portfolio or to ask questions, but the Adviser recommends that clients initiate a meeting with the Adviser no less than annually. *However, clients are obligated to immediately inform the Adviser of any changes in their financial situation to provide the Adviser with the opportunity to review the portfolio to ensure it is still structured to help meet the client's stated needs and objectives.*

The ongoing Wealth Management Services provided by Goldeneye Asset Management are based upon unique individual needs as stated by the client. Once recommendations have been implemented, Goldeneye Asset Management provides ongoing review, advice and recommendations. The underlying portfolio assets will be reviewed internally on a frequent basis (generally quarterly or more often), depending upon the types of investments, market conditions, at the discretion of the Adviser, or as may be specifically requested by the client. Investments with Independent Managers clients may utilize will generally be reviewed quarterly if part of the Adviser's managed portfolio.

Clients have the ability to leave standing instructions with the Adviser to refrain from investing in particular industries, invest in limited amounts of securities, to re-balance portfolios, or determine brokerage and commissions (also termed as "limited discretion").

Clients of the Adviser are welcome to determine which custodial services provider(s) they wish to utilize. Where clients retain authority to implement recommendations, they are welcome to do so in whole or in part.

The Adviser also may render non-discretionary management services to its clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual employer-sponsored retirement plans. In so doing, the Adviser either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan. Investments and service providers relative to Plan offerings are limited to only those available through the respective Plans and are determined by the Plan Sponsor(s).

## **Financial Consultation Services**

Goldeneye Asset Management is available to provide general Financial Consultation Services on an hourly basis. Advice may be provided on general issues (such as one or more various components of financial planning) relating to such topics as financial management, risk management, asset allocation, investment research, financial issues relating to divorce or marital issues, estate planning, tax issues, retirement planning, educational funding, goal setting, business owner issues; general real estate issues; or other needs as identified by the client.

Goldeneye Asset Management can tailor services as desired by the client. When these Financial Consultation Services only focus on certain areas of client interests, needs or is otherwise limited, clients must understand that a client's overall financial and investment needs and objectives may not be considered as a result of time and/or service restraints placed on the Adviser's services.

Clients requiring assistance on issues relating to matters outside of investment advisory topics should consult their personal tax adviser, legal counsel, or other professionals for expert opinions.

When providing plan-related consultation services, the advice and recommendations are limited to plan offerings. The advice provided by the Adviser may include recommendations for updates and reviews and these services can be obtained under a new or amended agreement at the client's discretion.

Goldeneye Asset Management may suggest the client work closely with the client's attorney, accountant, insurance agent, and the client's custodian. Implementation of any advice or recommendations pertaining to non-securities matters (such as insurance), in whole or in part, is entirely at the client's discretion via the service provider(s) of the client's choice.

## **Fees and Compensation**

### **Form ADV Part 2A, Item 5**

The advisory fees for **Wealth Management Services** are calculated on an annual retainer basis and are invoiced quarterly in advance of services. Goldeneye Asset Management's fees are outlined as follows:

- I. A minimum annual fee of \$3,000 for review and analysis and the development of an investment strategy.
- II. Wealth Management Services will thereafter generally range from \$3000 - \$15,000 annually. The annual fee may be re-evaluated annually and revised based upon

individual or special circumstances, scope or complexity of engagement or other factors determined at the Adviser's discretion.

The Adviser's minimum annual fee may be modified at the discretion of the Adviser where special circumstances exist or for pre-existing client relationships and/or unique individual circumstances. If the scope of the requested services should change or if the client's circumstances or the engagement should alter dramatically, the Adviser will adjust the fee with 30 days written notice. Clients may terminate services at any time.

Payment of Wealth Management Services fees may be paid directly by the client or payment of fees may be made through a debit directly to the client's account by the qualified custodian holding the Client's funds and securities. The following criteria is met in accordance with the State of Michigan's Uniform Securities Act, when payment is made via a qualified custodian: (1) The client provides written authorization permitting the fees to be paid directly from the client's account held by the independent qualified custodian and the authorization is limited to withdrawing contractually agreed upon Investment Adviser fees; (2) The frequency of fee withdrawal shall be specified in the written authorization/agreement; (3) The qualified custodian of the account(s) shall be advised in writing of the limitation on the Adviser's access to the account; (4) The custodian agrees to send to the client, a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to the Adviser; (5) At least 7 days prior to each deduction, the Adviser will send to the client a paper invoice that outlines the quarterly fee calculation and the proposed deduction amount. The notice will include instructions as to how to contact the Adviser in the event the client has questions or concerns; (6) The client shall be able to terminate the written billing authorization or agreement at any time.

Since the client's custodian does not verify advisory fees deducted from the account, clients are encouraged to review their statements and to promptly contact the adviser directly with any questions or concerns.

If the designated account(s) do not contain sufficient funds to pay advisory fees, the client can leave standing orders to deduct fees via other accounts. In the absence of alternate instructions, the Adviser will issue an invoice for advisory fees to the client and payment is expected with 10 days of the invoice date.

**The Adviser Does Not Maintain Custody of Funds or Securities:** In all cases, clients have a direct and beneficial interest in their securities (individual ownership), rather than an undivided interest in a pool of securities. Execution of transactions and custody of client funds and securities are services provided by the client's selected brokerage/custodial services provider(s). Goldeneye Asset Management does not and will not have custody of clients' funds

or securities. The Adviser will only have access to custodial accounts in order to deduct investment advisory fees and only with the appropriate client authorization.

**Fees Associated with Investing:** Clients may pay transaction and brokerage commission to their broker/dealer or other service providers as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third party 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. All fees paid to the Adviser for advisory services are separate from the fees and expenses charged to shareholders of ETF's or mutual fund shares offered by mutual fund companies. If a mutual fund previously purchased by or selected by a client should impose a sales charge, a client may pay an initial or deferred sales charge. Goldeneye Asset Management does not receive any portion of these investment-related fees. Such charges, fees and commissions are exclusive of and in addition to the Adviser's fees. A complete explanation of the expenses charged by a mutual fund or ETF is contained in the respective mutual fund prospectus. Clients are encouraged to read each prospectus and securities offering documents.

Wealth Management Services are ongoing until either party receives notice of termination. Either party may terminate services with written notice. If services are terminated prior to the end of a calendar quarter, the Adviser will return a pro-rated refund of pre-paid fees.

**Financial Consultation Services** are billed at the Adviser's hourly fee of \$150. Fees for Financial Consultation Services are determined at the time of engagement based upon the time and effort required and/or the nature and complexity of services. For larger projects, the Adviser may propose a project-based fee which will be calculated by multiplying the Adviser's hourly fee by the proposed number of hours required to complete the project.

Goldeneye Asset Management may require a retainer equal to ½ the proposed project fee in order to schedule services. In these cases, the project balance is due upon the delivery of services. Should the client's condition change during the course of services such that new advice, recommendations or research are required or the Adviser must re-work the advice, recommendations or other services, additional fees will apply. The Adviser will not engage in additional services that result in fees without the client's approval.

Financial Consultation Services terminate upon the delivery of services unless ongoing services are engaged pursuant to the Client Agreement. Consultation Services may be immediately terminated prior to the conclusion of services upon written notice from either party. The client will only be invoiced for time incurred by the Adviser up until the effective date of termination or prepaid but unearned fees will be refunded.



## **Performance-Based Fees and Side-by-Side Management**

### **Form ADV Part 2A, Item 6**

None.

## **Types of Clients**

### **Form ADV Part 2A, Item 7**

Individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, other investment professionals and business entities.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### **Form ADV Part 2A, Item 8**

Goldeneye Asset Management provides individualized services to its clients. The Adviser conducts various client interviews and data gathering activities in an effort to determine an investment plan or portfolio to best fit each client's stated individual situation. Client participation and the client's delivery of accurate and complete information are critical to the Adviser's process.

In performing its services, the Adviser shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. The Adviser may recommend the services of itself, its Advisory Representatives in their individual capacities as investment managers, and other professionals to implement its recommendations. Any professional referrals (i.e., insurance professionals, legal professionals, etc.) are a courtesy and the Adviser receives no direct or indirect compensation as a result of referrals. Clients are welcome but are never under any obligation to act upon any of the recommendations made by the Adviser or to engage the services of any such recommended service firm or professional, including the Adviser itself.

The Adviser takes an independent, balanced approach to the management of client investment portfolios. After working with the client to identify both short-term and long-term financial goals, a strategic investment framework is tailored to address these objectives. This framework comprises target asset class ranges based on factors including the Adviser's assessment of expected asset class returns and a client's investing history, tolerance for portfolio volatility, threshold for permanent losses, and short-term portfolio liquidity needs. Upon this framework, Goldeneye Asset Management builds and actively manages a customized investment portfolio, combining internally-researched individual stock and bond positions with externally managed funds (open-end mutual funds, closed-end mutual funds, exchange-traded funds, etc).

Investment ideas are generated internally from a variety of sources including broad sector research, company visits, and screening software. Third-party research is also utilized for investment idea generation.

Individual securities chosen for client portfolios must pass the Adviser's scrutiny for investment quality, valuation and portfolio fit. Traditional investment criteria like financial strength, competitive positioning and management quality are considered along with analysis of the environmental, social, and governance factors that can influence the long-term sustainability of a company. Valuation tools including discounted cash flow analysis, sum-of-parts analysis and relative valuation are utilized to determine if the investment is sufficiently cheap. Prospective investments are always considered in relation to the structure of the overall portfolio and purchased only when the Adviser feels such purchase improves the portfolio's overall risk-adjusted expected return potential.

In addition to individual securities, the Adviser may buy open-end, closed-end and exchange-traded fund for client accounts. Funds are researched and monitored internally by the Adviser with a process that emphasizes investment philosophy, management quality, and overall expense ratios.

The Adviser sells investments when conditions warrant rather than on a preset timetable. Changes in investment quality, valuation and portfolio fit both in absolute terms and relative to other prospective investments are primary reasons the Adviser may sell a security. Changing conditions in the client's financial life or significant changes in market conditions may warrant a collaborative effort with the client to modify their strategic investment framework, which consequently may also trigger changes to investment holdings within the portfolio.

Transactions for each client generally will be effected independently, unless the Adviser decides to purchase or sell the same securities for several clients at approximately the same time. When possible, the Adviser will aggregate securities transactions ("block trading"). Due to the individualized nature of services, however, large orders of securities are not always consistent with the nature of our services. Aggregation is undertaken in firms processing large orders of securities in order to realize more effective trade execution and the cost efficiencies that come from executing larger order sizes. In each case, the Adviser strives to allocate investment opportunities or trades among its clients in a manner that is fair and equitable and based upon the client investment objectives. The Adviser's procedures are outlined at Item 12 of this brochure.

The client may make additions to and withdrawals from the account at any time, subject to the Adviser's right to terminate an account. Clients may withdraw account assets on notice to the Adviser, subject to the usual and customary securities settlement procedures. The Adviser

generally designs its client portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives. Additions may be in cash, cash equivalents and securities provided that the Adviser reserves the right to liquidate any transferred securities, or decline to accept particular securities into a client's account. The Adviser may consult with its clients about the options and ramifications of transferring securities when provided pre-notification of the client's intentions. In such cases, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Clients may choose to make self-directed securities transactions, which are investments that are not reviewed and/or not recommended by the Adviser. In such cases, the Adviser has not passed on the suitability of said investments and while the Adviser may assist with client-directed implementation as a value-added service at the client's request, the Adviser will not generally manage these types of investments unless agreed in writing.

While the Adviser makes every effort to consider tax consequences, the sale of investments may cause taxable gains or losses to the client. Clients are welcome to consult their independent personal tax adviser about tax consequences resulting from transactions or any particular investment held in their account.

The Adviser's investment strategies, as described above, include long-term purchases (securities held at least a year), short-term purchases (securities sold within a year) and trading (securities sold within 30 days). All securities carry some degree of risk of loss, and clients should be prepared to bear this risk.

#### **Disciplinary Information**

**Form ADV Part 2A, Item 9**

None.

#### **Other Financial Industry Activities and Affiliations**

**Form ADV Part 2A, Item 10**

None.

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

**Form ADV Part 2A, Item 11**

### **Goldeneye Asset Management's Code of Ethics**

Goldeneye Asset Management takes the issue of regulatory compliance seriously and is committed to maintain compliance with federal and applicable state securities laws. Additionally, Goldeneye Asset Management has a position of public trust and it is our goal to maintain that trust; provide excellent service, good investment performance; and advice that is suitable. Goldeneye Asset Management places great value on ethical conduct. Therefore, the ultimate goal of our internal policies is to challenge our staff to live up not only to the letter of the law, but also to the ideals set forth by the Adviser. Additionally, those persons holding the Chartered Financial Analyst (CFA) designation must maintain the highest ethical standards as set forth by the CFA Institute's Code of Ethics.

Clients may be familiar with the roles fiduciaries play in various legal situations and in certain industries. As a Registered Investment Adviser, Goldeneye Asset Management is a fiduciary to each and every client. As fiduciaries, Investment Advisors owe their clients several specific duties. According to the United States Securities Commission ("SEC"), to which the State of Michigan defers on this matter, an Investment Adviser's fiduciary duties include:

- Providing advice that is suitable;
- Providing full disclosure of material facts and potential conflicts of interest (such that the client has complete and honest disclosure in order to make an informed decision about services of the Adviser and about investment recommendations);
- The utmost and exclusive loyalty and good faith;
- Best execution of transactions under the available circumstances;
- The Adviser's reasonable care to avoid ever misleading clients;
- Only acting in the best interests of clients.

It is Goldeneye Asset Management's policy to protect the interests of each of the Adviser's clients and to place the clients' interests first and foremost in each and every situation. Goldeneye Asset Management will abide by honest and ethical business practices to include, but is not limited to:

- The Adviser will not induce trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account.
- The Adviser will make investment decisions with reasonable grounds to believe that the decisions are suitable for the client on the basis of information furnished by the client and we will document suitability.
- The Adviser and Advisory Representatives will not borrow money from clients.
- Goldeneye Asset Management will not recommend the purchase of a security without the reasonable belief that the security is registered, or the security or transaction is exempt from registration in states where we provide investment advice and based upon information the Adviser receives.
- The Adviser will not recommend that the client place an order to purchase or sell a security through a broker/dealer or agent, or engage the services of a broker/dealer that is not licensed, based upon information available to the Adviser.
- The staff of the Adviser will report all required personal securities transactions to Zachary Liggett, CFA the Chief Compliance Officer of Goldeneye Asset Management as required by securities rules and regulations. Reportable trades for this Adviser are all securities with these exceptions:
  - Transactions effected pursuant to an automatic investment plan;
  - Securities held in accounts over which the access person has no direct or indirect influence or control;
  - Transactions and holdings in direct obligations of the Government of the United States;
  - Money market instruments — bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments;
  - Shares of money market funds;
  - Transactions and holdings in shares of mutual funds, since the Adviser does not have a material relationship with an investment company which would otherwise require reporting;
  - Transactions in units of a unit investment trust if the unit investment trust is invested exclusively in unaffiliated mutual funds.
- Goldeneye Asset Management emphasizes the unrestricted right of clients to decline to implement any advice rendered, in whole or part. Where

Goldeneye Asset Management is granted discretionary authority of the client's accounts, clients are welcome to set investment parameters and/or limitations in writing and such direction is followed until such time the client's instructions are amended in writing.

- All applicable securities rules and regulations will be strictly enforced. The Investment Adviser will not permit and has instituted controls against insider trading. Advisory Representatives and administrative personnel who do not follow the Adviser's Code of Ethics or who in any way violate securities rules and regulations, or who fail to report known or suspected violations will be disciplined or terminated. Such persons could also face action by the SEC and/or state securities regulators.

Prospective and current clients are welcome to request a copy of Goldeneye Asset Management's Code of Ethics by contacting the Adviser's office.

#### **Participation or interest in client transactions**

Goldeneye Asset Management and its Advisory Representatives acknowledge the Adviser's fiduciary responsibility to place the investment needs of clients ahead of the Adviser and its staff. The interests of clients are held in the highest regard.

Goldeneye Asset Management or individuals associated with Goldeneye Asset Management may have similar investment goals and objectives and as a result may buy or sell securities for their personal accounts that may be identical to or different from those recommended to clients. Thus, at times the interests of the Adviser's or staff members' accounts may coincide with the interests of clients' accounts. However, at no time will the Adviser or any related person receive an added benefit or advantage over clients with respect to these transactions. The Adviser and its associated persons will not place itself in a position to have added benefit as a result of advice given to clients.

The staff of Goldeneye Asset Management shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry.

The Adviser has established trading policies for its access persons. Zachary Liggett, CFA, the Chief Compliance Officer of Goldeneye Asset Management, is responsible for the monitoring of personal trading conducted by staff.

## **Brokerage Practices**

### **Form ADV Part 2A, Item 12**

Consultation clients can use any brokerage firm of their choice to implement any desired transactions, in whole or in part, at their discretion.

Goldeneye Asset Management recommends the services of Charles Schwab & Co., Inc. (“Schwab”) and is enrolled in the Schwab Institutional program which provides custodial and account services to independent registered investment advisers. The Adviser may also recommend the services of similar firms.

Factors which the Adviser considers in recommending *Schwab* or any other broker-dealer, to clients include their respective financial strength, reputation, execution, pricing, research, and service. *Schwab* enables the Adviser to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other broker-dealers.

The Adviser may utilize the custodian’s Prime Broker Program whereby the custodial firm may effect clients’ over-the-counter securities transactions on an agency basis. Typically, the service providers execute transactions based upon a number of factors. These factors include: Size of order, trading characteristics of the security, favorable execution prices, access to reliable data, availability of efficient transaction processing and possible price reductions. In filling these orders, the service provider may transact with a market-making broker-dealer (“market maker”) on the other side of the trade. A market maker may mark-up/down the price of securities for which it makes a market, which is a cost that will be incurred by the client in addition to any agency commissions assessed by the client’s service provider. Normally, best price and execution is obtained for over-the-counter securities transactions by executing directly with the market maker on a principal basis. Therefore, in some cases, clients may incur transaction costs, in addition to any commissions charged by their services provider, when trades in over-the-counter securities are effected on their behalf through that broker on an agency basis. The Adviser’s choice to utilize the service provider’s Prime Broker Program or similarly termed service available through the selected service provider may limit or eliminate the Adviser’s ability to obtain best price and execution in each case.

In certain cases, a security may be purchased through another service provider and in such cases, the security purchased is then transferred to the client account at the client’s selected custodian, and a “trade away” delivery fee is assessed to the client account. Clients are welcome to direct use of their preferred service provider, in which case the Adviser may not be able to provide best execution, because of limitations that may be placed on the Adviser by the client’s service provider.

The transaction fees/commissions paid by the Adviser's clients shall comply with the Adviser's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Adviser determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while the Adviser will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.

The Adviser believes that excellent customer service and trade execution available through its preferred service providers is superior to most non-service oriented and internet-based brokers that may otherwise be available to the general public. The Adviser's recommended service providers feature broad lines of products and services that may be suitable to many types of investors with varying investable assets.

In addition to the above information, Goldeneye Asset Management recognizes its duty to obtain best price and execution for its clients under the circumstances available. The decision to recommend the preferred service providers is also based upon the overall service provided to investors and the services available to the Adviser and providing such recommendation is consistent with the Adviser's fiduciary duty to the client. The Adviser also considers its experience with the service providers, the providers' reputation, and the quality of execution services and costs. Goldeneye Asset Management clients should also evaluate these service providers before opening an account. While it is possible that clients may pay higher commissions or transaction fees through its preferred service provider, the Adviser has determined it currently offers the best overall value to the Adviser and clients for the brokerage and technology provided. The Adviser shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.

If the client requests the Adviser to arrange for the execution of securities brokerage transactions for the client's account, the Adviser shall direct such transactions through broker-dealers that the Adviser reasonably believes will provide best execution. In such cases, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Adviser will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by the Adviser (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices,



on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the Adviser may decline a client's request to direct brokerage if, in the Adviser's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless the Adviser decides to purchase or sell the same securities for several clients at approximately the same time. The Adviser may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Adviser's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Due to the individualized nature of services, however, large orders of securities are not always consistent with the nature of the Adviser's services. Aggregation is undertaken in firms processing large orders of securities in order to realize more effective trade execution and the cost efficiencies that come from executing larger order sizes. In each case, the Adviser strives to allocate investment opportunities or trades among its clients in a manner that is fair and equitable and based upon the client investment objectives.

Normally, under this procedure, transactions will generally be averaged as to price and allocated according to the Adviser's standard allocation procedure. This procedure considers the circumstances of each trade and always strives for fairness and cost-effectiveness to the client. In most cases when the Adviser executes only a partial fill of a targeted buy order, allocations will prioritize complete fills for clients with the most available cash as a percentage of portfolio assets. Likewise, when the Adviser executes only a partial fill of a targeted sell order, allocations will prioritize complete fills for clients with the least available cash as a percent of portfolio assets. To the extent that the Adviser determines to aggregate client orders for the purchase or sale of securities, including securities in which the Adviser's Advisory Representatives may invest, the Adviser shall normally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the SEC. An allocation statement will be prepared and any special circumstances or conditions will be outlined in connection with each event.

The Adviser shall not receive any additional compensation or remuneration as a result of the aggregation.

Certain issues may impact the Adviser's allocation under the particular circumstances and in such cases, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates;

(ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;

(iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Goldeneye Asset Management may receive certain added benefits for utilizing the recommended custodian such as research, the ability to deduct advisory fees from clients' custodial accounts, discounts on periodicals or materials, complimentary business and compliance newsletters, and various other non-cash services. Any general research received is used for the benefit of all clients.

The value of products, research and services given if any, is negligible and not a material factor. The Adviser has no written or verbal arrangements whereby it receives soft dollars. The Adviser may also receive from Schwab, without cost to the Adviser, computer software and related systems support, which allow the Adviser to better monitor client accounts maintained at Schwab. The Adviser may receive the software and related support without cost because the Adviser renders investment management services to clients that maintain assets at Schwab. The software and related systems support may benefit the Adviser, but not its clients directly. In fulfilling its duties to its clients, the Adviser endeavors at all times to put the interests of its clients first. Clients should be aware; however, that the Adviser's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Adviser's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Additionally, the Adviser may receive the following benefits from Schwab through the Schwab Registered Investment Advisor Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Advisor Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### **Review of Accounts**

### **Form ADV Part 2A, Item 13**

For those clients to whom the Adviser provides Wealth Management Services, the Adviser monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom the Adviser provides

Financial Consultation Services, reviews are conducted on an “as needed” basis. Such reviews are conducted by Investment Advisory Representatives of the Firm. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Adviser and to keep the Adviser informed of any changes thereto.

The Adviser shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, Wealth Management Services clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom the Financial Consultation Services will receive reports from the Adviser summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by the Adviser.

#### **Client Referrals and Other Compensation**

**Form ADV Part 2A, Item 14**

None.

#### **Custody**

**Form ADV Part 2A, Item 15**

None.

#### **Investment Discretion**

**Form ADV Part 2A, Item 16**

Through the signing of a Limited Power of Attorney as evidenced by the Client Agreement, Wealth Management Services clients seeking ongoing investment management services grant limited discretionary authority to the Adviser. In such cases, the Adviser has the authority, without first obtaining client consent, to buy or sell securities and to decide the amount of such securities to be bought or sold. As described in Item 4, clients have the ability to leave standing instructions with the Adviser to refrain from investing in particular industries, invest in limited amounts of securities, to re-balance portfolios, or determine brokerage and commissions. The Adviser does not have authority to withdraw funds or securities and will not take custody of the same. The Adviser may have access to accounts in order to deduct advisory fees and only with the client’s authorization.

## **Voting Client Securities**

### **Form ADV Part 2A, Item 17**

Clients are welcome to retain their authority to vote proxies and in such cases clients are responsible for ensuring that proxy materials are sent directly to them or their designed third-party they may assign. The Adviser will not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

In conjunction with the Adviser's limited discretionary authority, clients may assign proxy voting authority to Goldeneye Asset Management. The Adviser's proxy voting policy is as follows:

Most shareholders are unable to attend the annual meetings of the companies in which they own stock. Instead, they participate by way of a proxy vote. Clients usually delegate proxy-voting rights to their investment adviser. Goldeneye Asset Management exercises limited discretionary authority and this includes voting proxies unless a client specifically reserves the right to vote the client's own proxies. Should Clients elect to retain the authority to vote proxies, clients are expected to ensure that all proxy materials are sent directly to them.

Proxy ballots typically contain proposals from company management on issues of corporate governance, including capital structure, auditing, board composition, and executive compensation. They may also include shareholder resolutions. Proxy voting is the primary forum where management seeks affirmation of what it is doing, and where shareowners weigh in on important issues. Every investment adviser has a fiduciary duty to vote proxies for the stocks in its managed portfolios in the best interests of its clients.

The Adviser seeks to invest in companies with responsible, high quality management teams that are governed by strong, shareholder-friendly boards. As such, our general policy is to vote shares in favor of proposals recommended by the respective boards.

Zachary Liggett, CFA, the Chief Investment Officer and Chief Compliance Officer of Goldeneye Asset Management is the person with the authority to vote proxies and is responsible for the development and maintenance of the Adviser's proxy voting policies and procedures. Additionally, Zachary Liggett, CFA is charged with the frequent review (at least quarterly) of the firm's relationships and investments (and those of staff and related persons) to ensure that conflicts of interest are minimized or do not exist. Questions pertaining to proxy voting and the Adviser's policies are to be directed to Zachary Liggett, CFA.

Goldeneye Asset Management will ensure that proxy-voting records are maintained with the Adviser's books and records. Clients have the opportunity to request and receive information

about how Goldeneye Asset Management voted with regard to securities held in their portfolios at any time by contacting Goldeneye Asset Management directly.

Goldeneye Asset Management, as a fiduciary, acknowledges that it must vote Client proxies in the Clients' best interest and must provide Clients information on how their securities were voted. As required by the United States Securities and Exchange Commission ("SEC"), Goldeneye Asset Management has implemented internal written policies and procedures relating to proxy voting.

As noted on the preceding page, the Adviser will generally vote shares in favor of proposals recommended by the boards, although in some instances, we make exceptions to this policy. These exceptions may arise when we judge potential conflicts of interest or when any proposal is judged to restrict a client's ability from realizing the full potential of their investment (such as "poison pill" provisions).

Goldeneye Asset Management does not vote proxies for privately-held companies for which the Adviser or its advisory representatives may have an interest. The Adviser's policy on proxy-voting thus pertains to publicly-held companies, as all or most every proxy handled will involve these types of companies.

The Adviser does not manage the pension plan of any publicly held company and does not engage in the business of administering the employee benefit plan of any publicly-held company. Further, Goldeneye Asset Management does not provide brokerage, underwriting, insurance, banking, consulting or other services to any publicly-held company. At this writing, Goldeneye Asset Management does not manage money for a large group of employees of a publicly-held company nor has any such pool of prospective clients currently exist. The Adviser will also review client files (at the time of engagement and quarterly thereafter) to review possible conflicts of interest the Adviser may have in doing business with any particular client and will ensure policies and procedures are instituted for dealing with such conflicts.

Goldeneye Asset Management is a privately-held company and has no board of directors. The Adviser has no affiliated or subsidiary entities and does not have material business relationships with any publicly-held companies other than the broker/dealer and custodial firms we currently utilize as needed to provide execution and custodial services to the Adviser's clients.

The Adviser's operations are more easily monitored as opposed to a large financial services firm employing hundreds or thousands of people. Thus, the conflicts of interests of advisory representatives and associated persons ("staff persons") are more easily monitored and managed than those of a larger organization. Goldeneye Asset Management will make frequent inquiries (generally quarterly, in line with person trade reports) as to whether a staff person has a close relative (spouse, sibling, parent, and child) who falls into a category that may

present a conflict of interest. Additionally, staff persons are obligated to disclose personal or business relationships that pose potential conflicts of interest.

In the event a staff person becomes aware of a possible conflict of interest, they are obligated to immediately inform Zachary Liggett, CFA, so he can take appropriate action that will generally include informing clients. Additionally, it is the policy of Goldeneye Asset Management that all staff persons are required to immediately report to Zachary Liggett, CFA if they have been contacted by any internal or external parties seeking to influence the firm's proxy votes.

Goldeneye Asset Management does not have an affiliation with any publicly-offered securities (including mutual funds). The Adviser does not serve as an investment manager to any investment company. None of the associated persons of the Adviser serve on the boards of funds or publicly-held companies. Should this information ever change, the Adviser's proxy voting policies will be amended to address conflicts of interest associated with compensation and any other relevant factors that may be identified.

As the sole officer with the authority to vote proxies, Zachary Liggett, CFA is responsible for monitoring corporate actions, monitoring the receipt of proxies, making voting decisions, and ensuring that votes are cast in a timely manner. Voting will take place via a firm-wide policy, depending upon the holding. The Adviser will vote proxies in the best interest of clients, but may accept direction from the client where such direction can be accommodated and the Client will be responsible for initiating directives to Zachary Liggett. If the Adviser cannot accommodate the Client, the Client will be directed to retain the voting authority. Should Client direction be accepted, the Client file will be documented with the specific direction and the system for reporting voting will be adjusted to accommodate deviations for specific clients.

In certain unusual cases, voting and record-keeping time and costs simply outweigh the benefits and the Adviser will not vote (i.e., proxies are written a language other than English for which no translation is provided, votes requiring travel, proxies that are subject to share blocking restrictions, etc.). Generally conflicts or issues relating to conflicts will be handled internally and in most every case, the interest of the client will outweigh all other aspects. Clients will be advised of unusual situations promptly.

Goldeneye Asset Management will ensure that Clients have the opportunity to receive information relating to any material conflicts of interest within a reasonable time *prior to* the Adviser's voting process, (although material conflicts are unlikely). Such communication will take place in writing. The Adviser may form a committee to review proxy-voting issues where conflicts of interest exist. In such cases, neutral persons will be selected to be involved in the process and these persons will certify they were not affected by the conflict. However, the

conflicts will be generally handled on a smaller scale: The Adviser is actively involved with its clients and will very likely involve the clients individually in these instances as the nature of services provided by the Adviser are personalized and close Adviser-Client relationships exist. Where a conflict exists, Zachary Liggett, CFA may even obtain the client consent before voting or will turn the vote over to the client altogether.

In the event a conflict is identified and the Adviser votes the proxies related to the conflict, Zachary Liggett, CFA will take steps to ensure the conflict of interest is disclosed to clients and will memorialize the conflict and the process followed. The general guidelines adopted by the Adviser are to consider any type of conflict of interest as material and of interest to our clients.

Investment Advisers may make use of a proxy-voting service (electronic) and if so, will ensure that records are made available electronically for record-keeping and review.

Goldeneye Asset Management encourages active communication and participation from clients. The ultimate goal of Goldeneye Asset Management's policies relating to proxy voting is to ensure that Clients will benefit from disclosure by gaining an understanding of how the Adviser votes proxies and to ensure that the Adviser continues to meet Client's expectations. The Adviser is also supportive of Clients who wish to keep or decide to reclaim the responsibility to vote proxies or wish to provide specific instructions on how Goldeneye Asset Management should vote their proxies. The Adviser believes Clients will always benefit by taking an active role in their investment planning and strategies.

### **Financial Information**

#### **Form ADV Part 2A, Item 18**

Because the Adviser does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance, no financial reporting is required at this time.

### **Requirements for State-Registered Advisers**

#### **Form ADV Part 2A, Item 19**

Please see Goldeneye Asset Management, LLC FORM ADV PART2B, BROCHURE SUPPLEMENTS for information related to the education, business background, and other business activities of the principal executive officers and management persons.