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### **CRI FREEDOM PROGRAM**

September 1, 2017

Wrap Fee Program Brochure Pursuant to Part 2A, Appendix 1 of Form ADV

This wrap fee program brochure provides information about the qualifications and business practices of CRI Securities, LLC. If you have any questions about the contents of this brochure, or would like to receive an additional copy of this brochure, please contact CRI at 1-800-820-4205. Additional information about CRI Securities, LLC is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). "Registration" or being "registered" with the United States Securities and Exchange Commission does not imply a certain level of skill or training.

**This brochure provides clients with information about CRI Securities, LLC and the CRI Freedom Program that should be considered before becoming a client. This information has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

## **ITEM 2: MATERIAL CHANGES**

This Wrap Fee Program Brochure dated September 1, 2017 has been prepared by CRI Securities LLC ("CRI") in accordance with the requirements of Form ADV as adopted by the United States Securities and Exchange Commission ("SEC"). This is the initial Wrap Fee Program Brochure for the CRI Freedom Program, which CRI began sponsoring on June 14, 2017

Pursuant to SEC Rules, CRI will ensure that clients receive a summary of any material changes to this and any subsequent Wrap Fee Program Brochure within 120 days of the close of CRI's business' fiscal year. CRI may further provide other ongoing disclosure information about material changes as necessary.

CRI will also provide clients with a new Wrap Fee Program Brochure, without charge, at any time upon request, or as necessary based on material changes or material new information. CRI's Wrap Fee Program Brochure may be requested by contacting CRI's Service Center at 1-800-820-4205.

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## ITEM 4: SERVICES, FEES, AND COMPENSATION

### A. Services

#### About CRI

CRI Securities, LLC (“CRI”) is registered with the Securities and Exchange Commission (“SEC”) as both an investment advisor and a securities broker-dealer. It is also a member of FINRA and SIPC. As a broker-dealer, CRI offers a wide range of securities brokerage services and products, including mutual funds.

CRI provides investment advisory and brokerage services to a variety of clients, including individuals and businesses. Clients may simultaneously receive both investment advisory and brokerage services from CRI. Advisory services offered by CRI include but are not limited to financial planning for individuals and businesses, asset allocation and portfolio management services.

This Wrap Fee Program Brochure describes the CRI Freedom wrap fee program (the “Program”). CRI sponsors one other wrap fee program: in CRI Spectrum Advisor, CRI, on a non-discretionary basis, develops and recommends an investment strategy and portfolio of securities that is appropriate for a client’s investment objective, risk tolerance, time horizon, and other pertinent financial characteristics. The CRI Spectrum Advisor wrap program is described in a separate wrap fee program brochure containing the information required by Part 2A, Appendix 1 of Form ADV. Advisory services offered by CRI other than wrap fee programs are all described in another brochure containing the information required by Part 2A of Form ADV.

#### CRI Freedom Program

The Program is a discretionary wrap-fee program sponsored by CRI. In accordance with the Program, clients open a brokerage account (“Account”) with CRI and retain CRI to assist in establishing investment objectives and selecting an asset allocation strategy for the client’s Account. Client Accounts are managed on a discretionary basis by CRI’s affiliate, Securian Financial Services, Inc. (“Securian”), pursuant to an investment sub-advisory agreement between CRI and Securian under which Securian also provides a series of model allocation strategies for use in connection with the Program. Clients pay for various investment advisory and securities brokerage services provided under the Program in accordance with a bundled fee arrangement. CRI functions as both an investment adviser and a broker-dealer under the Program.

The Program offers clients a series of model strategies developed by Securian (the “Model Portfolios” or “Freedom Portfolios”), each of which represents a different allocation strategy for aligning a client’s Account with the client’s financial objectives. The Freedom Portfolios include Model Portfolios that combine up to eighteen traditional and alternative investment sub-asset classes. These Freedom Model Portfolios span the risk/return spectrum from an income model to an aggressive growth model. The Model Portfolios are also available as “core” Model

Portfolios that combine four to seven sub-asset classes (the “Core Model Portfolios” or “Freedom Core Portfolios”). Each of the Model Portfolios, including the Core Model Portfolios, is also available as a separate “tax aware” Model Portfolio.

Securian serves as the only portfolio manager under the Program. Securian’s discretionary portfolio management services are performed by investment professionals who are salaried employees of Securian (“Portfolio Managers”). As such, in accordance with the Model Portfolios selected by clients, the Portfolio Managers determine the asset allocation strategy for each Model Portfolio and, in accordance with the Model Portfolio selected by a client, select specific securities for each asset class and investment style that comprises each client’s Account, based upon Securian’s proprietary modeling strategies, macroeconomic outlook and investment research discipline. The Model Portfolios in the Program consist of open-end and closed-end investment companies and exchange-traded funds (“ETFs”), as determined by the Portfolio Managers in their sole discretion. Trade orders in client Accounts under the Program are placed by Securian with CRI and thereafter introduced by CRI to CRI’s clearing broker-dealer, Pershing LLC (“Pershing”), for settlement and clearance by Pershing.

The Portfolio Managers may change the asset class allocations used in managing a client’s Account at any time in the Portfolio Managers’ sole discretion. In the event of an asset allocation change, the Portfolio Managers will rebalance the Account accordingly. The Portfolio Managers, in their sole discretion, may also change the investment vehicles used within a client’s Account at any time during the life of the Account. Client will receive a prospectus or other disclosure document for each mutual fund or collective investment vehicle in which a client’s Account is invested.

The recommendation of a Model Portfolio for a client is made by CRI’s Consultant (see “CRI Consultants” below) and is based on the Consultant’s analysis of such Model Portfolio’s potential for meeting the client’s financial needs, and seeks to be consistent with the client’s financial characteristics, including investment objective and risk tolerance, and any guidelines or restrictions provided by the client in writing. A client is required to review and approve the Consultant’s recommendation of a Model Portfolio. Client’s selection of a Model Portfolio is also subject to review and approval by CRI. The Consultant periodically reviews and monitors the performance, composition, and risk profile of the client’s Account and will, if appropriate, recommend a different Model Portfolio based on the results of such reviews. The Consultant consults with a client at least annually regarding the client’s Account and whether the client’s financial characteristics have changed. This review is designed to ensure that the client’s Account is still appropriate and consistent with the client’s financial circumstances. The Consultant is also available on an ongoing basis to discuss the client’s Account or any questions relating to the securities therein.

A client may put reasonable restrictions on the types of securities to be bought and sold in the client’s Account. CRI, however, may determine that it cannot accept the client’s requested restriction because, in CRI’s sole discretion, the restriction is inconsistent with either the

applicable Model Portfolio's stated investment strategy or the client's stated investment objective, or is fundamentally inconsistent with the nature or operation of the Program.

### The Freedom Model Portfolios

Freedom Standard and Core Model Portfolios. The Freedom Model Portfolios seek to take a systematic approach to providing an investment portfolio based on a client's risk profile, time horizon and investment objectives. Each of the Freedom Portfolios represents a different level of expected risk and return that seeks to accomplish its objectives by allocating portfolio assets across a different mix of investment sub-asset classes. Each of the Freedom Portfolios represents a version, through different allocation strategies, of one of the following basic model portfolios, each with a different investment risk and return profile:

- Income Portfolio – appropriate for clients whose primary objective is current income.
- Income and Growth Portfolio – appropriate for clients whose primary objective is income, with a secondary objective of modest long-term growth.
- Conservative Growth Portfolio – appropriate for clients whose primary objective is growth of principal with a secondary objective of income.
- Growth Portfolio – appropriate for clients whose objective is high long-term growth of principal.
- Aggressive Growth Portfolio – appropriate for clients whose objective is the highest possible long-term growth of principal.

The Income Portfolio is the most conservative strategy, but it still has exposure to certain risks, including interest rate risk, credit risk, and loss of principal. The Aggressive Growth Portfolio is the most aggressive strategy, and may experience considerable fluctuations in value, especially over the short-term, including loss of principal.

For additional information regarding investment risk, please review Item 6, Portfolio Manager Selection and Evaluation.

The Program offers the following five Standard Freedom Model Portfolios, all of which are also available as Freedom Core Model Portfolios, each of which represents a different allocation strategy for aligning a client's Account with the client's financial goals:

## Freedom Standard Model Portfolios

- Freedom Income Model Portfolio
- Freedom Income and Growth Model Portfolio
- Freedom Conservative Growth Model Portfolio
- Freedom Growth Model Portfolio
- Freedom Aggressive Growth Model Portfolio

## Freedom Core Model Portfolios

- Freedom Core Income Model Portfolio
- Freedom Core Income and Growth Model Portfolio
- Freedom Core Conservative Growth Model Portfolio
- Freedom Core Growth Model Portfolio
- Freedom Core Aggressive Growth Model Portfolio

Freedom Tax Aware Model Portfolios. Each of the Standard and Core Freedom Model Portfolios described above is also available as a separate “tax aware” model portfolio (“Freedom Tax Aware Model Portfolios” or “Tax Aware Models”). “Tax Aware” means, for this purpose, that in managing Accounts invested in accordance with a Tax Aware Model, the Portfolio Managers will pursue the same investment objective, allocation strategy and risk profile as the corresponding Standard or Core Model, but, where consistent with such objective, strategy and profile, will also seek to invest Account assets in investments that in the judgment of the Portfolio Managers may be “tax efficient.” The use of tax efficient investments may limit to some extent the impact of taxes on client Accounts invested in accordance with a Tax Aware Model. Tax efficient investments may include mutual funds that describe themselves as ‘tax managed’ or ‘tax efficient’ and employ strategies that seek generally to maximize after-tax returns; national municipal bond funds, which may distribute interest income that is not subject to federal income taxation; and equity index mutual funds, which may distribute fewer taxable capital gains than certain other equity funds.

The Freedom Tax Aware Model Portfolios are not intended to result in Accounts that are entirely or mostly free from taxation, and some or all of the income and capital gains realized in Accounts invested in accordance with a Tax Aware Model will be subject to both federal and state taxation. There are no required minimum allocations to tax efficient investments in any Tax Aware Model, and actual allocations to tax efficient investments in Accounts will vary at the discretion of the Portfolio Managers. The determination whether an allocation to a particular investment in a Tax Aware Model is tax efficient is made by the Portfolio Managers in their sole discretion. Allocations to tax efficient investments are not based on the tax or financial circumstances of any particular client or Account, and there is no guarantee that the Portfolio Managers will be successful in limiting the impact of taxes on any particular client whose Account is invested in accordance with a Tax Aware Model. Tax Aware Models may not be appropriate for Accounts that are tax qualified.

Model Portfolio Asset Classes. In each of the Freedom Standard Model Portfolios, allocations may use up to eighteen available sub-asset classes. Allocations in each of the Freedom Core Model Portfolios may use up to seven investment sub-asset classes. Allocations in the Freedom Tax Aware Models will have sub-asset class allocations similar to those in the corresponding Standard and Core Model Portfolios.

The asset classes that may be used in the Freedom Portfolios include the following:

- U.S. Large Cap Equity
- U.S. Mid Cap Equity
- U.S. Small Cap Equity
- U.S. Micro Cap Equity
- International Large Cap
- International Small Cap
- International Micro Cap
- Real Estate
- Natural Resources/Commodities
- U.S. Long-Term Fixed Income
- U.S. Intermediate Fixed Income
- U.S. Short-Term Fixed Income
- Global Fixed Income
- Inflation Protected Securities
- Floating Rate Income
- High Yield Bonds
- Convertible Securities
- Alternative Investments

Changes to Model Portfolios. The composition of each of the Model Portfolios may be changed by the Portfolio Managers, in their sole discretion, at any time. These changes in Model Portfolio composition may include:

- Increasing or decreasing the number of asset classes included in the Model
- Replacing an asset class currently included in the Model with a different asset class
- Changing the percentage allocations to some or all of the asset classes included in the Model
- Increasing or decreasing the number of mutual funds or ETFs selected for each asset class
- Replacing a mutual fund or ETF currently selected for an asset class with a different mutual fund or ETF
- Changing the percentage allocations to some or all of the mutual funds or ETFs selected for an asset class



Client Account Adjustments and Rebalancing. A client's Account will be adjusted automatically in accordance with any change made by the Portfolio Managers in the composition of the Model Portfolio applicable to the client's Account (see "Changes to Model Portfolios" above). Trades made in a client's Account as a result of changes in the composition of the Model Portfolios will be reflected in the confirmations and quarterly Account statements made available to the client. In addition, an Account will periodically be rebalanced to match the target allocation for each asset class, or the target allocation for each mutual fund or ETF included within an asset class, when, as a result of differences in relative investment performance, the current asset class allocation or mutual fund or ETF allocation deviates from the target allocation by more than a specified level as determined by the Portfolio Managers. The Portfolio Managers periodically review such Account allocations and their level of deviation from the target allocations in order to identify Accounts that have drifted substantially from their target allocations and need to be rebalanced. The timing and frequency of these reviews are determined by the Portfolio Managers and may be changed from time to time. The Portfolio Managers, in their sole discretion, may also rebalance an Account at any time if the Portfolio Managers determine for any reason that it would be beneficial to do so. Additionally, as assets are added or withdrawn, a client's Account will be rebalanced to the target allocations. Neither diversification nor asset allocation provides a guarantee against loss; they are techniques that seek to manage investment risk.

Security Selection Process. When selecting a mutual fund or exchange traded fund for inclusion in a Freedom Model Portfolio, the Portfolio Managers seek to utilize a disciplined due diligence process which includes the examination of a variety of factors, which may include, but is not limited to the following:

- Mutual Funds – factors include the manager's investment style, whether the approach is active or passive, the manager tenure and length of track record, stability of investment personnel, assets under management/capacity, rate of return as compared to risk and peers over multiple time periods, expense ratio, level of adherence to a stated investment style, investment approach, investment performance, level of risk and portfolio holdings.
- Exchange Traded Funds – factors include the benchmark, tracking error to the benchmark, investment performance, volume, liquidity, cost, comparison to peer groups, investment objective, investment philosophy, investment process, construction methodology and portfolio holdings.

#### Administrative, Execution and Clearance Services

Each client participating in the Program is required to enter into a brokerage account agreement with CRI to open an Account that will hold the client's assets covered by the Program. Clients also direct that all orders for the purchase or sale of securities in client Accounts, as determined by the Portfolio Managers, will be placed by Securian with CRI and thereafter introduced to Pershing by CRI and settled and cleared by Pershing. By directing trades in the foregoing manner,

CRI and Securian will not be able to: (i) select broker-dealers on the basis of price or other attributes; (ii) negotiate commissions or negotiate the price or quality of the custody, settlement and clearing services provided by Pershing; or (iii) aggregate or “batch” orders for purposes of execution with orders for the same securities for other accounts managed by CRI and Securian which are not settled and cleared by Pershing. As a result, certain transactions may result in less favorable net prices on the purchase and sale of securities than would be the case if CRI and Securian were able to shop around and select broker-dealers. The ability to achieve best execution may be partially or wholly limited by the nature of the directed brokerage arrangement and clients may not achieve executions of the nature, quality, speed or price that might otherwise occur. As a result of the foregoing, a client’s Account might not generate the returns it would if orders were not directed. However, since management of the Account occurs via a bundled fee arrangement that includes the costs of Pershing’s settlement and clearance services, the use of Pershing should not result in additional brokerage fees to a client.

Clients authorize CRI and Securian to aggregate purchase and sale orders for securities held (or to be held) in client Accounts with similar orders being made on the same day for CRI’s or Securian’s other accounts which are also custodied or cleared through Pershing. CRI and Securian may aggregate trades for clients and transmit “batched” orders in an effort to reduce market impact and to obtain best execution. When an order is so aggregated: (i) the actual prices applicable to the aggregated transaction will be averaged and the Account and each other account or portfolio participating in the aggregated transaction shall be treated as having purchased or sold its portion of the securities at such average price, and (ii) all transaction costs incurred in effecting the aggregated transaction shall be shared on a pro-rata basis among the accounts participating in the transaction. Where the batched order is not filled in its entirety, clients will be deemed to have purchased or sold a proportionate share of the securities involved. In some cases, aggregating orders may adversely affect the size of the position obtainable, and in some cases, clients would receive better price execution if they did not participate in a batched order.

As the introducing broker-dealer of record for Accounts, CRI has an interest in having Pershing settle and clear securities transactions under the Program. Under its agreement with Pershing, the fees charged and the level of services provided by Pershing are dependent upon the amount of assets introduced by CRI to Pershing. The securities trades directed to Pershing under the Program are included in the calculation of assets introduced by CRI to Pershing and therefore may result in reduced fees being charged to CRI by Pershing or in CRI’s receipt of additional services from Pershing. Pershing’s custodial and brokerage services are included in the fees paid by clients as described in Item 4.B below.

Pershing maintains custody of all Account assets and performs custodial functions including, among other things, crediting of interest and dividends on Account assets, together with other custodial functions customarily performed with respect to securities brokerage accounts.

All dividends and other distributions will be retained in a client’s Account and invested in accordance with the cash allocation component of such Account. Clients are responsible to vote

all proxies, consents, waivers and other documents regarding corporate actions, with respect to any securities held in their Account. CRI and Securian will not vote proxies, nor will CRI or Securian be responsible for taking action or rendering any advice with respect to securities held in CRI Freedom Accounts which become subject to legal notices or proceedings, including bankruptcy proceedings.

The Program requires a client to participate in a “Sweep Program” that is tied to client’s Account. A “Sweep Program” is a service provided by broker-dealers, including CRI, pursuant to which customers can automatically transfer free credit balances in the customer’s securities account to a money market mutual fund product. Free credit balances, in the form of cash, typically result from a customer’s deposit of cash into his or her securities account, or arise from dividends and interest earned on assets held in the account. By participating in the Program, client automatically participates in CRI’s Sweep Program. CRI will routinely sweep the free credit balances in client’s Account to a money market fund account. The brokerage account agreement clients enter into with CRI to open the Account describes the general terms and conditions of the money market fund. The sweep account product offered in the future may change, in which event the adviser to whom client has granted investment discretion (Securian) will make a determination whether to continue to sweep free credit balances to the new product. The client will receive a separate prospectus relating to the mutual fund(s) in which the cash in the client’s Account is invested, which will contain a complete description of the relevant fees and/or expenses of the mutual fund(s); clients should refer to the prospectus for more information about the applicable fund.

Pershing makes available to the client confirmations of each purchase and sale, unless the client elects not to receive confirmations of individual transactions and to receive, instead, information regarding such transactions in quarterly statements. Monthly Account statements are forwarded by Pershing to the client for each month in which activity occurs in the client’s Account. Quarterly account statements are also forwarded by Pershing to the client, regardless of whether there has been any activity in the client’s Account. Pershing also acts as general administrator of the Account, which includes, deducting Account fees and processing, pursuant to the client instructions transmitted by CRI, deposits to and withdrawals from the Account.

CRI has also entered into an agreement with Lockwood Advisors, Inc. (“Lockwood”), Pershing’s affiliate, pursuant to which Lockwood or another affiliate provides various administrative services, including preparing quarterly reports analyzing the performance of the Account, which are made available to a client. The fees for Lockwood’s services are also included in the fees paid by client as described in Item 4.B below.

The costs of the execution, clearance and administrative services provided by Pershing and Lockwood are included in the Program Fee and therefore also the total Freedom Fee, which are described below.

If the client grants CRI the authority to do so, upon client's instruction CRI will (1) instruct Pershing to transfer assets from the client's Account to another of the client's identically registered account(s) with CRI held at Pershing; or (2) instruct Pershing to remit client funds or securities in client's Account to the client at the client's address of record with Pershing. CRI does not have the authority to open an account on the client's behalf or to designate or change the client's address of record.

### CRI Consultants

The services performed in connection with opening an Account under the Program and recommending a Model Portfolio to a client are provided by CRI's investment advisor representatives ("Consultants"), who are also registered securities representatives of CRI (*i.e.*, registered with FINRA to sell securities) and licensed as insurance agents for CRI's affiliate, Minnesota Life Insurance Company ("Minnesota Life"). Consultants may also be licensed as insurance agents for other insurance companies.

A consultant's recommendation of a Model Portfolio is subject to review and approval by CRI. Other investment professionals employed by Securian, rather than CRI, serve as the Portfolio Managers responsible for determining any changes in the allocation strategy and composition of the Model Portfolios and for managing client Accounts on a discretionary basis (see "Item 6: Portfolio Manager Selection and Evaluation," below).

Each Consultant must meet at least one of the following requirements:

- Qualify as a Chartered Financial Analyst (CFA), CERTIFIED FINANCIAL PLANNER™ Professional (CFP®), or Chartered Financial Consultant (ChFC);
- Pass the NASAA Investment Advisors Law (NASD Series 65) exam or the NASAA Uniform Combined State Law (NASD Series 66) exam; or
- Otherwise meet state and firm investment advisory registration requirements.

Each Consultant that has clients in the Program is compensated by CRI for providing investment advisory and related services. The amount of this compensation may be more (or less) than what the Consultant would receive if the client participated in other wrap programs offered by CRI, or paid separately for investment advice, brokerage and other services. A Consultant may therefore have a financial incentive to recommend the Program over other programs or services.

### Opening an Account

Clients enter the Program by executing an investment management agreement ("Agreement") with CRI. As noted above, clients must also sign a brokerage account agreement with CRI in order to open an Account in the Program.

If a client transfers securities to CRI in connection with funding a new Account, all such securities, except any securities identical to those selected by the Portfolio Managers for inclusion in the applicable Model Portfolio, will be liquidated promptly and the proceeds reinvested in the client's Account in accordance with the Model Portfolio selected by the client. If any illiquid or unmarketable securities are transferred to a client's Account and cannot be promptly liquidated, such securities must be transferred out of the Account or disposed of by the client within thirty days after notice to the client or CRI will automatically transfer such securities to a separate commission based brokerage account with CRI, subject to CRI's standard fees for such accounts.

In connection with opening an Account, the CRI Consultant obtains information regarding the client's investment objective, risk tolerance, time horizon, and other financial characteristics. Based upon the information provided by the client, the CRI Consultant will recommend a Model Portfolio. It is up to the client to decide whether to accept or reject the Consultant's Model Portfolio recommendation.

### Terminating an Account

Either CRI or a client may terminate the Agreement at any time with written notice and thereby terminate an Account under the Program. If an Account is terminated during a quarter, or the client makes a full withdrawal of Program assets, CRI will refund to the client a pro-rata portion of any pre-paid, but unearned fees paid for that quarter. The amount refunded to the client will be based on the number of days remaining in the quarter as of the date of termination.

Upon termination of the Agreement, CRI will no longer exercise investment discretion, and neither CRI nor Securian will provide investment advisory services, with regard to the securities in the Account, and clients will have sole responsibility to decide what happens to the assets in the Account. Upon termination, it is a client's responsibility to issue instructions in writing regarding the assets held in the Account. Upon termination, client may either instruct CRI to (i) liquidate the assets in the Account, (ii) transfer the assets in the Account to a third party, or (iii) transfer the assets to a standard brokerage account with CRI that is subject to CRI's then-current standard commission and fee schedule. If clients instruct CRI to liquidate the assets in the Account, CRI shall do so solely in its capacity as a broker-dealer and clients will be subject to CRI's then-current standard commission and fee schedule. If clients do not provide instructions regarding the Account assets to CRI upon termination of the Agreement, then CRI will automatically transfer the assets therein to a standard brokerage account that is subject to CRI's then-current standard commission and fee schedule. Clients are solely responsible for all taxes payable in connection with the termination of the Account.

## **B. Fees**

### Freedom Fee

Each client in the Program pays an annualized asset-based fee ("Freedom Fee"). The Freedom Fee, which includes the costs of the investment advisory, execution, clearance and administrative

services provided by CRI, Securian, Lockwood, and Pershing under the Program (exclusive of certain charges associated with securities transactions described below and charges for optional services), consists of two components: (i) the “Program Fee” charged by CRI (which covers, among other things, the cost of the administrative, clearance and custodial services charged to CRI by Lockwood and Pershing, and the cost charged to CRI by Securian for the management and maintenance of the Model Portfolios and the management of client Accounts by Securian’s Portfolio Managers) and (ii) the “Consultant Fee,” which is the fee charged for the Consultant’s services. The Freedom Fee will not exceed 1.80%.

The Program Fee is not negotiable. In contrast, the Consultant Fee portion of the Freedom Fee is negotiable, within limits, by clients and the Consultant. In negotiating the Consultant Fee, Consultants generally take into consideration, among other things, the amount of assets clients maintain in the Program, whether the clients maintain other securities brokerage or investment advisory relationships with CRI, the amount of assets in such other accounts, and the duration and scope of a clients’ relationship with CRI. In general, clients may be able to negotiate a lower Consultant Fee if they maintain other securities brokerage or investment advisory relationships with CRI. CRI reserves the right at its discretion to reduce the Consultant Fee for Accounts held by employees, associated persons, agents, or independent contractors of CRI or its affiliates and their immediate family members. See the table below for information about the amount of the Program Fee, the maximum Consultant’s Fee and the maximum Freedom Fee.

Securian charges a fee to CRI (the “Securian Fee”) to cover the expenses associated with the services provided by Securian in connection with the Program, and Lockwood charges a separate fee to CRI (the “Lockwood Fee”) to cover the expenses associated with the services provided by Lockwood and Pershing in connection with the Program. The Securian Fee and the Lockwood Fee are included in the Program Fee and, therefore, in the total Freedom Fee described above. Pursuant to a client’s authorization, Pershing, as custodian of Account assets, and Lockwood, as administrator of the Account, will: deduct the entire Freedom Fee from the client’s Account; retain the Lockwood Fee due to Pershing and Lockwood for their respective services; pay the Securian Fee to Securian; and pay the balance of the total Freedom Fee to CRI, which will use a portion of the Consultant Fee (which is also included in the total Freedom Fee) to pay its Consultants.

Account Assets	Program Fee	Maximum Consultant Fee	Maximum Freedom Fee
First \$500,000	0.30%	1.50%	1.80%
Next \$500,001 to \$1,000,000	0.27%	1.10%	1.37%
Next \$1,000,001 to \$2,000,000	0.24%	1.10%	1.34%
Next \$2,000,001 to \$3,000,000	0.23%	0.90%	1.13%
Next \$3,000,001 to \$4,000,000	0.22%	0.70%	0.92%
Next \$4,000,001 to \$5,000,000	0.21%	0.50%	0.71%
Over \$5,000,000	0.16%	0.50%	0.66%

The total fees charged under the Program may be higher than what another investment adviser would charge for a similar combination of services, or what would be charged by CRI or another investment adviser if the investment advisory and securities brokerage services were provided separately. The relative cost of the Program is affected by such factors as the administrative costs associated with wrap fee arrangements, the fees charged when investment adviser and brokerage services are purchased separately, the size of a client's Account, and the level of trading activity in a client's Account.

The Freedom Fee does not include certain fees and charges associated with securities transactions, including the following: (i) charges imposed by law; and (ii) internal charges and fees, including redemption or short-term trading fees, that may be imposed by any collective investment vehicles, such as mutual funds, closed-end funds, or exchange-traded funds (clients indirectly pay a pro-rata portion of such fees, which are in addition to the fees paid to CRI under the Program). CRI may receive 12b-1 fees from mutual funds in which a client's assets are invested in addition to the Freedom Fee paid by client hereunder. Such 12b-1 fees are deducted from the assets held in such mutual funds, but CRI will credit back to a client's Account any 12b-1 fees received by CRI with respect to assets held in client's Account. Clients will also be charged for specific account services as described in CRI's Client Commission and Fee Schedule. If client chooses to have trade confirmations delivered by mail rather than delivered electronically, there will be a charge for each trade confirmation. See CRI's brokerage account agreement related to the Account or ask Consultant for more information regarding these fees.

Each Consultant assigned to a client's Account will be compensated for services to such client by receiving a percentage of the compensation received by CRI in accordance with the fee schedule attached to the client's investment management agreement with CRI. Consultant compensation ranges from 30% to 56% of the total compensation such financial advisor's sales and other activities produce for CRI in any given twelve month period. Therefore, depending upon the Consultant's total sales and revenue production from all securities, investment advisory, and insurance business conducted through CRI, the Consultant's compensation for the services provided to clients under the Program may range from 30% to 56% of the compensation received by CRI pursuant to the formula described in client investment management agreements with CRI, and it can change each month depending upon the Consultant's total revenue production for CRI. Each Consultant also has one or more supervisors who do not provide services directly to clients. These supervisors are paid a percentage of the compensation received by CRI for the supervisory services they provide for CRI. Some of these supervisors may share a portion or all of their compensation with the Consultants they supervise. For more detailed information about the compensation paid to your Consultant, please call CRI at (800) 820-4205.

#### Payment of Fees

The Freedom Fee is payable at inception and quarterly in advance thereafter, based on the value of the assets in the Account on the date of inception, and thereafter, on the last business day of the prior quarter (except as discussed below in connection with additions to the Account). The first payment will be assessed on a pro rata basis in the event the Agreement is executed at any

time other than the first day of the billing cycle. For the purposes of fees and valuation, securities will be valued at the closing price on the principal exchange on which they are traded. All cash and securities in the Account will be included in determining the value of the Account for the purpose of calculating the Freedom Fee. Securities not listed on a national securities exchange, such as mutual funds, will be valued at their net asset values.

The Freedom Fee is paid first out of free credit balances, if any, in the Account, second, from the liquidation or withdrawal of shares of any money market funds or balances in any money market account, and to the extent that such assets are insufficient to satisfy payment of the fee, from the sale and liquidation of other Account assets. Securian, in its discretion, will sell securities to the extent necessary to pay the Freedom Fee. Clients are solely responsible for any losses or tax consequences as a result of a sale of Account assets to satisfy their obligation to pay the Freedom Fee.

Additions may be made at any time and will result in an adjustment to the Freedom Fee with respect to such new assets prorated from the date of the addition. Withdrawals of assets may be made at any time and will result in an adjustment to the Freedom Fee with respect to the withdrawn assets prorated from the date of the withdrawal. The proceeds of a withdrawal will be delivered to the client after the time necessary for the resulting trades to clear and settle. If the Account is terminated by either party, fees paid for that quarter will be prorated based on the number of days in the quarter for which the Program was in effect and any unearned investment advisory fees will be returned to the client, and the market value of the assets in the Account shall be calculated as of the close of trading on the last business day that CRI provides investment advisory services under the Agreement.

The client will authorize Pershing and Lockwood to deduct from the client's Account the entire Freedom Fee, and all other applicable fees not included in the Freedom Fee. All such fees will be clearly noted on the client's statements.

If CRI liquidates securities transferred to CRI by a client in connection with funding a new Account (see "Opening an Account" above), the client may incur significant tax liabilities for which the client will be solely responsible. In addition, if such transferred securities include illiquid or unmarketable securities that are subsequently placed in a separate commission based brokerage account with CRI, the client will also be charged CRI's standard fees for such accounts. If applicable, clients should consider such ramifications before deciding to participate in the Program.

#### **ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS**

The minimum Account size for each Account under the Program is generally \$50,000. Lesser amounts may be accepted in some circumstances. Freedom Core Portfolios and Freedom Core Tax Aware Portfolios are also available for Accounts of \$25,000 or more.



Services under the Program are offered primarily to individuals. Defined benefit plans and defined contribution plans may not open Accounts under the Program and certain other types of Accounts may not be opened if the Account's assets are part of a tax qualified plan or subject to any provision of the Employee Retirement Income Security Act of 1974 ("ERISA"). Individual retirement accounts not subject to ERISA, however, are eligible to participate in the Program, as are SEP IRAs and SIMPLE IRAs subject to ERISA. CRI reserves the right to reject any client from participating in the Program.

#### **ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION**

The Freedom Portfolios available through the Program are managed by a group of investment professionals at Securian (the "Portfolio Managers"). The Portfolio Managers are salaried employees of Securian and make investment decisions and engage in investment activities for Securian in connection with Securian's discretionary investment management of the Freedom Portfolios. These activities include, on a discretionary basis, the selection of the asset classes to be used in each Portfolio, the determination of each Portfolio's allocation strategy in relation to such asset classes, and the selection of securities for each Account. Securian does not recommend or select individual Portfolio Managers for particular client Accounts. Instead, the Portfolio Managers act as a team and make discretionary investment decisions on a collective basis for all client Accounts.

Securian selects as Portfolio Managers investment professionals who have either attained a CFA (Chartered Financial Analyst) designation or earned an MBA (Masters in Business Administration) degree. The selection process also takes into consideration the length and nature of an individual Portfolio Manager's experience in the investment management business. Securian's management monitors the performance of the Portfolio Managers and compares their performance, calculated on a uniform and consistent basis in accordance with standards determined by Securian, relative to the performance of generally accepted market indices for the major asset classes included in the Portfolios. Performance information for the Portfolio Managers is not reviewed by a third party. Securian does not employ any specific standards in determining whether or not to replace one or all of the Portfolio Managers.

As described above in Item 4.A under "Services -- The Freedom Model Portfolios -- Security Selection Process," the Portfolio Managers consider a variety of factors in selecting securities for inclusion in the Freedom Portfolios. The main sources of information used by the Portfolio Managers in this regard include, but are not limited to, quantitative data provided by third-party vendors, financial newspapers and magazines, corporate rating services relating to historical prices of securities, dividends and earnings, annual reports, prospectuses, filings with the SEC and press releases. In addition, the Portfolio Managers may on occasion participate in conference calls or meetings with the managers of mutual funds and other collective investment vehicles selected or considered for selection in the Freedom Portfolios.

In determining allocations between mutual funds and exchange traded funds in a particular Model Portfolio, the Portfolio Managers will consider such factors as whether an entity

reasonably represents a sub-asset class, is passively or actively managed, offers favorable tax treatment, or is available at a more favorable cost. These factors are evaluated in the context of each Model Portfolio's overall allocation strategy and the individual sub-asset classes selected by the Portfolio Managers for inclusion in the Model Portfolio.

Each Freedom Model Portfolio carries a different level of risk that clients should be prepared to bear. In each Account managed in accordance with a Model Portfolio, all securities include a risk of loss of principal and any profits that have not been realized. The stock markets, bond markets and derivative markets fluctuate substantially over time in response to changes in domestic and global economic and political circumstances. As a result, there is a risk of loss of the assets, and such loss may be out of Securian's and the Portfolio Managers' control. **CRI and Securian cannot guarantee any level of performance and cannot guarantee that clients will not experience a loss of value in their Account.**

There is risk associated with the asset allocation strategies applicable to the Freedom Model Portfolios and with the selection of securities for client Accounts. These risks include but are not limited to market risk, liquidity risk, interest rate risk, sector risk, currency risk, foreign investment risk, developing or emerging market risk, large cap and small/mid-cap stock risk, counterparty risk, credit risk and duration risk. Investments in securities and other financial instruments that are subject to fluctuations create many types of risk that can cause the permanent loss of capital, whether as a result of adverse market conditions or otherwise. For more information about the risks associated with the mutual funds or collective investment vehicles held in an Account, as well as information about associated fees and expenses, clients should review the respective prospectuses or other disclosure documents.

As described above in Item 4.A under "Services – Administrative, Execution and Clearance Services," CRI and Securian do not retain or accept authority to vote client securities. Clients are solely responsible for voting proxies and taking action with respect to legal notices or proceedings relating to securities held in their Accounts.

#### **ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS**

Clients provide personal information, including investment objective, risk tolerance, time horizon, and financial and other relevant characteristics to their CRI Consultants. Their CRI Consultants then recommend a model portfolio consistent with the client's investment and financial objective and submit this information to CRI. Securian's Portfolio Managers have access to client information, but they do not use that client information to make decisions about specific individual client accounts.

#### **ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS**

The Portfolio Managers do not typically speak with clients, but there are no restrictions placed on a client's ability to contact the Portfolio Managers. There are also no restrictions placed on a client's ability to contact the client's CRI Consultant. Clients have regular access to CRI

Consultants to discuss their Accounts, financial circumstances, investment objectives, and Model Portfolio selection.

## **ITEM 9: ADDITIONAL INFORMATION**

### **A. Disciplinary Information**

CRI has no material disciplinary or legal events to report.

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

The following are CRI's other financial industry activities and affiliations.

#### CRI's Brokerage Services Business

CRI's principal business activity is as a securities broker-dealer. CRI's securities brokerage business consists primarily of the sale of mutual funds and, on a fully-disclosed basis, general securities through Securian's clearing agreement with Pershing. In this capacity CRI receives compensation in the form of dealer concessions, commissions from brokerage customers, and/or distribution (Rule 12b-1) fees, from which CRI pays commissions to CRI's Consultants.

As a securities broker-dealer CRI also provides investment advice to clients, which is incidental to the brokerage services provided, and for which CRI does not receive any special compensation, other than the customary commissions or fees charged for such brokerage services. The Consultants are also registered representatives of CRI in its capacity as a broker-dealer.

#### CRI's Business Affiliations

Fifty percent of CRI's voting securities are owned by Minnesota Life. Minnesota Life is a wholly owned subsidiary of Securian Financial Group, Inc., and an indirect subsidiary of a mutual insurance holding company called Minnesota Mutual Companies, Inc. Minnesota Life, Advantus Capital Management, Inc. ("Advantus Capital"), an affiliated investment advisor, and Securian Financial Services, Inc. ("Securian"), an affiliated broker-dealer and investment advisor, are also wholly owned subsidiaries of Securian Financial Group, Inc. The other 50% of CRI's voting securities are owned by Philip C. Richards, who is also the principal owner of an insurance agency named North Star Consultants, Inc. Many of CRI's customers, whether for brokerage or advisory services, are also customers of Minnesota Life, Securian Financial, or North Star. Advantus Capital provides investment advice to other affiliated entities, including Minnesota Life, and to private accounts. CRI may benefit from these affiliations in various ways, including access to additional investment-related research and information. Minnesota Life and Advantus Capital conduct separate businesses but may on rare occasions coincidentally trade for their own accounts in securities that CRI has recommended to its advisory clients.

CRI believes that it benefits from these affiliations in various ways, including access to additional investment-related research and information. Some of CRI's affiliates may coincidentally trade for their own accounts in securities that CRI has recommended to CRI clients.

*Affiliated Insurance Businesses.* The insurance companies owned directly or indirectly by Securian Financial Group, Inc. include Minnesota Life Insurance Company ("Minnesota Life") (see [www.minnesotalife.com](http://www.minnesotalife.com)), Securian Life Insurance Company (see [www.securianlife.com](http://www.securianlife.com)), Securian Casualty Company, American Modern Life Insurance Company, and Southern Pioneer Life Insurance Company. These insurance companies provide a variety of insurance and annuities products (including term life insurance, indexed life insurance, variable life insurance, fixed and indexed annuities, group term and variable life insurance, accidental death and dismemberment insurance, mortgage life insurance, credit life and disability insurance, debt protection, guaranteed asset protection, and collateral protection insurance) to individuals, businesses, employers, banks, and credit unions. Many of CRI's customers are also customers of Minnesota Life.

*Affiliated Investment Advisors and Broker-Dealers.* Advantus Capital Management, Inc. ("Advantus Capital") is also a wholly-owned subsidiary of Securian Financial Group, Inc. Advantus Capital is registered as an investment advisor with the SEC. Advantus Capital provides investment advice to affiliated entities, including Minnesota Life, and to unaffiliated entities, including unaffiliated insurance companies, public and corporate pension plans, retirement plans, mutual fund companies, Taft-Hartley plans, foundations, and endowments. See [www.advantuscapital.com](http://www.advantuscapital.com) for more information.

H. Beck, Inc. ("HBI") is also a wholly owned subsidiary of Securian Financial Group, Inc. HBI is registered with the SEC as both an investment advisor and a broker-dealer. HBI is also a member of FINRA, the SIPC, and the National Futures Association. HBI provides investment advice and brokerage services that serve the needs of individuals, trusts, estates, and businesses. See [www.cfginc.com](http://www.cfginc.com) for more information.

Securian Financial Services, Inc. ("Securian Financial") is a wholly owned subsidiary of Securian Financial Group, Inc. Securian Financial is registered with the SEC as both an investment advisor and a broker-dealer. Securian Financial is also a member of FINRA and the SIPC. Securian Financial provides mutual funds, brokerage services, and general securities to individuals, trusts, estates, and businesses. See [www.securian.com/FinancialServices/home.asp](http://www.securian.com/FinancialServices/home.asp) for more information.

*Affiliated Banking Institutions.* Securian Trust Company, N.A. ("Securian Trust") is also a wholly owned subsidiary of Securian Financial Group, Inc. Securian Trust is a national bank chartered by the Office of the Comptroller of the Currency. Securian Trust provides expertise in trust administration and trust investment management.

### **C. Conflicts of Interest, Revenue Sharing and Other Payments from Funds**

As required by law, CRI maintains certain policies and procedures, such as CRI's "Code of Ethics" (see "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading" below) reasonably designed to prevent CRI and CRI's Consultants from acting in any way that is inconsistent with CRI's legal obligations to clients, including the requirement that CRI put clients' interests first.

*Revenue Sharing.* Subject to the foregoing, CRI's affiliate, Securian Financial Services, Inc. ("Securian"), receives payments, commonly known as "revenue sharing," from investment advisers, principal underwriters, or other affiliates of certain mutual funds in which clients' Program assets may be invested. As a result, Securian has an economic interest in CRI Consultants recommending such funds for accounts in the Program. From time-to-time, certain of these funds may also be on Securian's or CRI's Preferred List. CRI does not, however, require CRI's Consultants to recommend such funds, nor does Securian share these payments with CRI's Consultants. Securian receives revenue sharing payments from investment advisers, principal underwriters, or other affiliates of the following mutual funds in which clients' Program assets may be invested. In early 2017, the following Strategic Partners agreed to pay annual marketing support payments in the amount of \$75,000:

American Funds  
Ivy Distributors, Inc.  
Lord Abbett & Co., LLC

These payments are based on a number of factors including the quality of the relationship. See the Strategic Partner webpage located at [www.securianfinancial.com](http://www.securianfinancial.com) for the most current information.

FundVest Mutual Funds Revenue Sharing. Pershing makes certain mutual funds (the "FundVest Funds") available to the Program that do not have transaction fees, provided they are held for at least three months (if the FundVest funds are held for less than three months, Securian bears any transaction fees). Pershing receives payments, commonly referred to as "revenue sharing," and 12b-1 and other fees from the investment advisers, principal underwriters, or other affiliates of the FundVest Funds. Pershing also receives operational reimbursements from some of the FundVest Funds in the form of networking or omnibus processing fees. These fees are based on a flat fee per holding and paid to Pershing in exchange for various services Pershing provides the FundVest Funds, such as accounting services, dividend calculation and posting, reconciliation, client confirmations, statement preparation and mailing, and tax statement preparation and mailing.

CRI's affiliate, Securian, receives from Pershing 12b-1 fees and 55% of the Service Fees Pershing receives in connection with the sale and retention of certain FundVest Funds. In addition, in association with certain other FundVest Funds, Pershing will pay 15% of the Service Fees that Pershing receives from such FundVest Funds to Securian. "Service Fees" are fees other than Rule

12b-1 Plan Fees paid directly or indirectly by a FundVest Fund pursuant to an agreement between Pershing and the parties that distribute the funds. Service fees are paid to Pershing in exchange for Pershing's administration of the FundVest program. Service Fees are paid in accordance with an asset-based formula, and they are in addition to the fees which Securian receives from you. This is a conflict of interest for Securian.

Securian will credit back to client Accounts FundVest program payments Securian receives from Pershing as a result of 12b-1 fees paid to Pershing from the FundVest Funds with respect to assets held in client's Account. Securian shall retain payments of Service Fees. For additional details regarding FundVest payments or a listing of funds that pay Pershing networking or omnibus fees, please refer to [www.pershing.com/mutual\\_fund.htm](http://www.pershing.com/mutual_fund.htm) (Securian makes no representations as to the completeness or accuracy of such materials).

Additional Revenue Sharing Information. For more information about revenue sharing and other types of indirect compensation received by Securian, see the Strategic Partner webpage located at [www.securianfinancial.com](http://www.securianfinancial.com).

*12b-1 Fees.* CRI may also receive 12b-1 fees from mutual funds in which clients' assets are invested. These 12b-1 fees, which are deducted from the assets held in such mutual funds, are in addition to the Freedom Fee paid under the Program, and are also in addition to any revenue sharing payments that may be received as described above. However, CRI will credit back to clients' Accounts any 12b-1 fees received by CRI with respect to assets held in clients' Accounts.

*ERISA Considerations.* If the Employee Retirement Income Security Act of 1974, as interpreted by the Department of Labor, imposes obligations on CRI to take certain actions with respect to revenue sharing payments, 12b-1 fees charged to mutual fund shares, and other sources of revenue owned or relating to employee benefit plans and individual retirement accounts (IRAs), CRI will act in accordance with such obligations.

CRI acts as an investment adviser within the meaning of ERISA Section 3(21)(A)(ii) with regard to the ERISA Fiduciary Services (defined below) CRI provides to plans and IRAs subject to ERISA. The "ERISA Fiduciary Services" include only the provision of investment advice; all other services are provided on a non-fiduciary basis.

*Conference Sponsorships.* Some of the mutual funds that are selected for inclusion in accounts under the Program, or affiliates of such funds, may, from time to time, pay fees to CRI in exchange for the opportunity to appear at conferences or other meetings sponsored and organized by CRI. For more information about these conference sponsorships, please contact CRI, or see the Strategic Partner webpage located at [www.securianfinancial.com](http://www.securianfinancial.com).

*Mutual Funds Sub-Advised by Advantus Capital.* Advantus Capital Management, Inc. ("Advantus Capital"), an affiliate of CRI, serves as investment sub-advisor for certain of the Ivy Funds, and receives a management fee for its services. CRI receives no direct compensation as a result of this relationship, but Advantus Capital's compensation increases if the assets in such funds

increase. If such funds are held in client Accounts under the Program, Advantus Capital will receive additional investment sub-advisory fees as a result of such holdings. See the prospectuses for the Ivy Funds for more information.

The arrangements described above present conflicts of interest for CRI and/or Consultants. Typically, this conflict of interest is because CRI and/or Consultants receive compensation or other benefits in addition to the fees CRI receives from clients. Conflicts of interest also arise when (i) CRI can achieve certain expense reductions based upon how client assets are invested (e.g. the rates CRI pays third party service providers may decrease as CRI introduces more assets to those third party service providers), (ii) CRI receives additional compensation from client in a capacity other than as client's investment advisor (e.g. for certain programs CRI also acts as the broker-dealer and receive additional compensation in that capacity), or (iii) one of CRI's affiliates may receive compensation through some of CRI's programs (e.g. a program where an affiliate of CRI's provides trust services to client) or from some of the investment options in those programs. In all of these situations CRI has an economic interest in how clients' assets are invested, thus resulting in a conflict between interests of clients and CRI.

Consultants are compensated under the Program as a result of clients engaging CRI to provide services. The amount of that compensation may be more than what the Consultant would earn if clients paid separately for services that CRI bundles together under the Program (e.g. paying separately for investment advice and brokerage services). Therefore, Consultants may have an economic interest in whether a client receives investment advisory services versus securities brokerage services, thus resulting in a conflict between a client's interests and a Consultant's interests. For more information about a Consultant's compensation, please contact the Consultant.

*Non-Cash Compensation from CRI and its Affiliates.* In accordance with FINRA rules, either CRI or CRI's affiliate Minnesota Life will award credits which allow CRI's Consultants who are responsible for the sales of investment advisory services, insurance products, and other investment products to attend conventions and other meetings sponsored by CRI or CRI's affiliates for the purpose of promoting the sale of investment advisory services (including services under the Program), insurance products, and other investment products offered by CRI and CRI's affiliates. Such credits may entitle Consultants to reimbursement for transportation, hotel accommodations, meals, registration fees, and the like.

CRI's Consultants may also be eligible for financing arrangements, no-cost training, group health and/or life insurance benefits, retirement benefits, deferred compensation benefits, and other benefits based on their contract with CRI's affiliate, Minnesota Life. All of these programs are designed to encourage CRI's Consultants to sell Minnesota Life's insurance products.

All of the non-cash compensation described in this section, in conjunction with the cash compensation received by CRI's Consultants in connection with the Program, may be more or less than the overall compensation received by CRI's Consultants in connection with the sale of other products and services offered by CRI. The amount and/or structure of such compensation

may influence CRI's Consultants to favor certain investment alternatives over others. However, the differences in compensation may also reflect differences in sales effort or ongoing customer services expected of the Consultant.

For more information about non-cash programs and other benefits received by Consultants, please contact CRI.

*Non-Cash Compensation and Marketing Assistance from Third Parties.* The sponsors (or their affiliates) of certain mutual funds that may be held in client Accounts under the Program may provide non-cash benefits to CRI's Consultants such as meals or tickets to sporting or entertainment events. In addition, some of those third parties sponsor or participate in conventions, conferences, or training events and may provide CRI's Consultants and/or CRI's home office employees with transportation, hotel accommodations, meals, registration fees, and the like in order to encourage them to attend such events. The sponsors may also provide some of CRI's Consultants with additional financial support by reimbursing CRI's Consultants for certain marketing related expenses, such as client seminars, client appreciation events, and donations to charities or charitable events. In general, sponsors are more willing to make such reimbursements or will make larger reimbursements based on the amount of assets invested in their funds by a CRI Consultant's clients. This is a conflict of interest for CRI Consultants. We maintain policies that limit the amount of this financial support that CRI Consultants may receive. For more information about whether client's CRI Consultant receives any of the type of support described in this paragraph, please contact the CRI Consultant.

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

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (the "Act"), CRI has established and enforces a written code of ethics ("Code") that describes standards of business conduct, including applicable fiduciary obligations, that must be observed by CRI and its "supervised persons" (as defined in the Act) in connection with CRI's investment advisory business. These standards include requirements:

- To act at all times with the utmost integrity and honesty, dealing fairly with clients, CRI, its associates and service providers;
- To place the interests of clients first;
- To render professional and unbiased investment advice to clients;
- To provide full, fair, and, timely information to clients;
- To avoid conflicts of interest with clients when supervised persons conduct personal securities transactions;



- To exercise diligence and care in maintaining and protecting clients' non-public, personal or confidential information; and
- To comply at all times with federal securities laws.

All supervised persons are prohibited from trading on the basis of material non-public information. In addition, the Code prohibits certain supervised persons ("Access Persons") from trading, in their personal accounts or in other accounts in which they have a beneficial interest, in "reportable securities" (as defined in Rule 204A-1 and the Code) ahead of a client's trade in the same security, and from purchasing any security that is part of an initial public offering. Access Persons must also obtain prior approval from CRI's Chief Compliance Officer before purchasing any security as part of a private placement or other limited offering.

In order to avoid conflicts of interest, the Code requires Access Persons to provide, and CRI to review, both initial and annual reports of all reportable securities beneficially owned by such access Person. Quarterly reports of all transactions in reportable securities by Access Persons are also required under the Code and are also required to be reviewed by CRI.

Each supervised person receives a copy of the Code and of each amendment thereto, and is required to acknowledge such receipt in writing. The Code further requires each supervised person to report any violation of the Code promptly to CRI's Chief Compliance Officer.

A copy of CRI's Code of Ethics will be provided to any client or prospective client upon request.

CRI and its affiliates have investment responsibilities, render investment advice to, and perform other investment advisory services for, other individuals and entities ("Other Accounts"). CRI and its affiliates (and their respective partners, directors, officers, agents and employees) may buy, sell or trade in any securities for their own respective accounts ("Affiliated Accounts"). CRI and its affiliates may give advice or exercise investment responsibility and take such other actions with respect to Other Accounts and Affiliated Accounts which may differ from the advice given or the timing or nature of action taken with respect to a client's Account.

Other Accounts and Affiliated Accounts may at any time, hold, acquire, increase, decrease, dispose of or otherwise deal with positions in investments in which a client's Account may have an interest from time to time, whether in transactions which involve the client's Account or otherwise. CRI has no obligation to purchase for a client's Account a position in any security which Other Accounts or Affiliated Accounts may acquire.

## **E. Review of Accounts**

CRI will periodically review and monitor the performance, composition and risk profile of the client's Account and, if appropriate, will make recommendations based on the results of the reviews. In addition, CRI or its Consultant will consult with each client in the Program at least annually regarding the Account and whether anything has changed in the client's financial

circumstances or investment objectives that might affect the manner in which the client's assets should be managed. The review includes consideration whether the client's Account remains properly aligned with the client's financial objectives, risk tolerance and other financial characteristics.

CRI or CRI's Consultant will also be available on an ongoing basis to discuss the client's Account, any questions relating to the securities therein and any changes which may have occurred in the client's financial circumstances or investment objectives.

As noted above, clients also receive quarterly account statements, quarterly performance reports, brokerage statements for each month in which trading activity occurs in the client's Account, and confirmations of each purchase and sale in an Account (unless the client elects to suppress confirmations and receive only quarterly statements). CRI or CRI's Consultant is available to assist a client in reviewing all these reports and statements.

#### **F. Client Referrals and Other Compensation**

CRI does not receive any compensation or other economic benefit from any person, other than clients, for providing advice in connection with the Program, except as described above under Item 9(C), "Conflicts of Interest, Revenue Sharing and Other Payments from Funds." CRI does not compensate any person for client referrals to the Program.

#### **G. Financial Information**

CRI does not require payment of fees more than one quarter in advance. For this reason, CRI is not required to provide an audited balance sheet for its most recent fiscal year. CRI has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, nor has CRI been the subject of a bankruptcy proceeding.

### **ITEM 10: REQUIREMENTS FOR STATE REGISTERED ADVISERS**

CRI is federally registered.