



Ross, Sinclair and Associates, LLC

700 Walnut Street, Suite 600

Cincinnati, OH 45202

513.381.3939

[www.rsanet.com](http://www.rsanet.com)

September 16, 2013

This Brochure provides information about the qualifications and business practices of Ross, Sinclair & Associates, LLC ["RSA"]. If you have any questions about the contents of this Brochure, please contact us at 513.381.3939. 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.

RSA is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

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## Item 2 – Material Changes

Item 4 was updated with RSA's current Assets under Management for both discretionary and non-discretionary accounts.

As of September 2013 RSA Asset Management is registered with the Securities and Exchange Commission (SEC).

Currently, our Brochure may be requested by contacting Andy Armstrong, Chief Compliance Officer at 513.381.3939 or [Aarmstrong@rsanet.com](mailto:Aarmstrong@rsanet.com).

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Additional information about RSA is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with RSA who are registered, or are required to be registered, as investment adviser representatives of RSA.

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## **Item 4 – Advisory Business**

Ross, Sinclair and Associates, LLC, (RSA) provides services including but not limited to portfolio management, investment strategy, consulting, and asset review for compensation. RSA may perform financial planning, estate planning, and insurance reviews to better understand a client's investment needs and objectives.

RSA will manage advisory accounts on either a discretionary or non-discretionary basis. At the time of agreement execution, the account will be deemed as either discretionary or non-discretionary as mutually agreed upon by the client and RSA.

Upon commencement of the advisory agreement, account supervision is guided by the stated objectives of the client as per Exhibit A pertaining to Investment Guidelines as stated in the Investment Advisory Agreement. As part of the services rendered, RSA may consult with a client on financial matters outside of the account managed by RSA. These services are separate from our services.

While each individual client's portfolio is managed in a unique manner to achieve the stated objectives as stated in Exhibit A of the Investment Advisory Agreement, RSA's investment strategy is based upon risk management, asset allocation, and macroeconomic data. RSA will construct a portfolio based upon individual fixed income instruments, equities, preferred stocks, reverse convertibles, options, and other instruments deemed necessary to construct the desired portfolio. RSA may also select money managers, mutual funds, ETF's, and other instruments to construct a diversified portfolio to meet each client's stated objectives. Clients also have the ability to choose a custodian different from who RSA chooses. Customers also have the option to purchase investment products that RSA recommends through other brokers or agents that RSA is not affiliated with.

### **General Information on Fees**

Management fees may not exceed 2.5% of Assets under management (AUM). Clients will be charged quarterly in arrears based on the fair market value of assets under management as of quarter end. All accounts are charged a management fee plus expenses. Accounts will pay ticket charges, commissions, markups, markdowns, all miscellaneous charges, and the portfolio management fee. Financial planning, estate and insurance reviews that are performed as part of understanding a client's investment needs and objectives are services that are included under our management fee.

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When clients enter into a non-discretionary agreement, RSA may execute transactions on a principal basis with our affiliate broker dealer. Such transactions may be subject to acceptable markups or mark downs. Notification will be provided around the time of execution on each of these principal transactions.

When clients enter into a discretionary agreement, RSA may execute transactions on a principal basis with our affiliate broker dealer. Such transactions may be subject to acceptable markups or mark downs. Notification will be provided at or around the time of execution on each of these principal transactions.

Some client portfolios may contain mutual fund shares, ETF's, and other instruments. These instruments are subject to investment management fees of the underlying instruments. RSA also bills its clients an advisory fee based on the quarter end value of their portfolios in addition to the underlying expenses.

In certain extraordinary circumstances, the portfolio management fees may be negotiable.

If a client terminates their relationship with RSA prior to a billing cycle ending, the account will be subject to management fees on a pro-rated basis. This pro-rated bill will be calculated according to the individual's current management fee and will be calculated in reference to the number of days left in the billing cycle.

*As of August 30, 2013 the Assets under Management (AUM) for Discretionary Accounts is approximately \$4MM. The AUM for Non-Discretionary Accounts is approximately \$109MM.*

## **Item 5 – Fees and Compensation**

Fees may not exceed 2.5% of Assets under management (AUM). Clients will be charged quarterly in arrears based on the fair market value of assets under management as of quarter end. All accounts are charged a management fee plus expenses. Accounts will pay ticket charges, commissions, markups, markdowns, all miscellaneous charges, and the portfolio management fee. Clients have the choice of having fees deducted from a specific securities account, or having a separate bill sent to them.

When clients enter into a non-discretionary agreement, RSA may execute transactions on a principal basis with our affiliate broker dealer. Such transactions may be subject to acceptable markups or mark downs. Notification will be provided around the time of execution on each of these principal transactions.

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When clients enter into a discretionary agreement, RSA may execute transactions on a principal basis with our affiliate broker dealer. Such transactions may be subject to acceptable markups or mark downs. Notification will be provided prior to the time of execution on each of these principal transactions.

Some client portfolios may contain mutual fund shares, ETF's, and other instruments. These instruments are subject to investment management fees of the underlying instruments. RSA also bills its clients an advisory fee based on the quarter end value of their portfolios in addition to the underlying expenses. In some advisory accounts, mutual funds and exchange traded funds (ETF's) may be used. Most mutual funds charge a marketing and service fee to brokerage/custodian or broker-dealers. This fee is called a 12(b)1 fee. This fee is generally about one quarter of one percent per year (0.25%). In some cases, these fees can be passed thru to the broker-dealer and on to the personal advisor. Receipt of 12(b)1 by RSA for using one fund rather than using another fund that does not pay the fee to RSA may constitute a conflict of interest. The 12(b)1 fees may in turn be paid out to RSA or to the brokerage/custodian thus creating a potential conflict of interest. RSA does not have approved Fund or ETF lists for Advisors to use. RSA tailors each account to the clients specific needs based on their investment objectives, risk tolerance, and time horizon. RSA does not tolerate the sale of specific mutual funds or ETF's simply based on their 12(b)1 structure.

Customers of RSA may trade "no load" funds as part of their portfolio. No load funds usually have certain trading constraints, can be bought and sold without paying a ticket charge or trading commission. The trading constraints usually consist of a minimum order and a minimum holding period. If the client holds for less than the minimum holding period a fee roughly equivalent to the total cost of a buy and sell commission is charged to the client.

Clients also have the ability to choose a custodian different from who RSA chooses. Customers also have the option to purchase investment products that RSA recommends through other brokers or agents that RSA is not affiliated with.

In certain extraordinary circumstances, the portfolio management fees may be negotiable.

If a client terminates their relationship with RSA prior to a billing cycle ending, the account will be subject to management fees on a pro-rated basis. This pro-rated bill will be calculated according to the individual's current management fee and will be calculated in reference to the number of days left in the billing cycle. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

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

RSA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

RSA currently provides portfolio management services to individuals, high net worth individuals, banking institutions and other Registered Investment Advisor's through Sub-Advisory Agreements.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

RSA offers investment strategies customized to the individual client's needs. While each individual client's portfolio is managed in a unique manner to achieve the stated objectives as stated in Exhibit A of the Investment Advisory Agreement, RSA's investment strategy is based upon risk management, asset allocation, and macroeconomic data.

RSA will construct a portfolio based upon individual fixed income instruments, equities, preferred stocks, reverse convertibles, options, and other instruments deemed necessary to construct the desired portfolio. RSA may also select money managers, mutual funds, ETF's, and other instruments to construct a diversified portfolio to meet each client's stated objectives. Clients also have the ability to choose a custodian different from who RSA chooses. Customers also have the option to purchase investment products that RSA recommends through other brokers or agents that RSA is not affiliated with.

RSA utilizes many sources of information including Bloomberg, financial newspapers, and research materials prepared by 3<sup>rd</sup> parties, SEC filings, and company press releases.

Investing in securities involves risk of loss that clients should be prepared to bear. Investment Products offered through RSA are not FDIC Insured, offer no Bank Guarantee, and May lose value. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

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**Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

**Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

**Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.

**Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

**Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Currency Risk:** International investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of RSA or the integrity of RSA's management. RSA has no information applicable to this Item.

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## **Item 10 – Other Financial Industry Activities and Affiliations**

RSA Asset Management is a business division of RSA. RSA Asset Management is registered with the Securities and Exchange Commission (SEC).

Industry Affiliations:

RSA is a broker-dealer registered with FINRA and the SEC.

Investment Advisor Representatives of RSA Asset Management are also Registered Representative with RSA and therefore may earn commissions on any principal securities trades affected for clients of the Registrant.

Some Representatives of RSA are also licensed to sell Life Insurance and Variable Annuities and may earn commissions and trailers from those sales.

The principal executive officers and other employees of RSA may from time to time, receive 12b-1 distribution fees from investment companies in connection with the placement of client funds into investment companies. While these individuals endeavor at all times to put the interest of the clients first as part of RSA's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a potential conflict of interest.

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

### **I. Statement of General Principles**

This Code of Ethics has been adopted by RSA for the purpose of instructing all employees, officers, and directors of the Adviser in their ethical obligations and to provide rules for their personal securities transactions. All such persons owe a fiduciary duty to the Adviser's clients. A fiduciary duty means a duty of loyalty, fairness and good faith towards the clients, and the obligation to adhere not only to the specific provisions of this Code but to the general principles that guide the Code. Any client or prospective client may request, either in writing, or verbally, a copy of the code of ethics at any time.

These general principles are:

The duty at all times to place the interests of clients first;

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The requirement that all personal securities transactions be conducted in a manner consistent with the Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of any individual's position of trust and responsibility; and

The fundamental standard that such employees, officers, and directors should not take inappropriate advantage of their positions or of their relationship with clients.

It is imperative that the personal trading activities of the employees, officers, and directors of the Adviser be conducted with the highest regard for these general principles in order to avoid any possible conflict of interest, any appearance of a conflict, or activities that could lead to disciplinary action. This includes executing transactions through or for the benefit of a third party when the transaction is not in keeping with the general principles of this Code.

All personal securities transactions must also comply with the Adviser's Insider Trading Policy and Procedures. Employees shall comply at all times with all applicable federal securities laws. Federal securities laws means the Securities Act of 1933, the Securities Exchange Act of 1934, the Sarbanes-Oxley Act of 2002, the Investment Company Act of 1940, the Investment Advisers Act of 1940, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the Securities & Exchange Commission under any of these statutes, the Bank Secrecy Act as it applies to funds and investment advisers, and any rules adopted thereunder by the Securities & Exchange Commission or the Department of the Treasury. Employees shall at all times maintain the confidentiality of client identities, security holdings, financial circumstances and other confidential information. Employees shall report any violations of this Code of Ethics promptly to the Compliance Officer.

## II. Definitions

A. Advisory Employees: any employee, officer, or director of the Adviser (or of any company in a control relationship to the Adviser) who, in connection with his or her regular functions or duties, participates in or makes recommendations with respect to the purchase or sale of securities; and any natural person who controls the Adviser and who obtains information about recommendations with respect to the purchase or sale of securities. The Compliance Officer will maintain a current list of all Advisory Employees.

B. Automatic Investment Plan: a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation. An Automatic Investment Plan includes a dividend reinvestment plan.

C. Beneficial Interest: ownership or any benefits of ownership, including the opportunity to directly or indirectly profit or otherwise obtain financial benefits from any interest in a security.

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D. Compliance Officer: the Compliance Officer is Andy Armstrong.

E. Employee Account: each account in which an Employee or a member of his or her family has any direct or indirect Beneficial Interest or over which such person exercises control or influence, including, but not limited to, any joint account, partnership, corporation, trust or estate. An Employee's family members include the Employee's spouse, minor children, any person living in the home of the Employee and any relative of the Employee (including in-laws) to whose support an Employee directly or indirectly contributes.

F. Employees: the employees, officers and directors of the Adviser, including Advisory Employees. The Compliance Officer will maintain a current list of all Employees.

G. Exempt Transactions: transactions which are 1) effected in an amount or in a manner over which the Employee has no direct or indirect influence or control, 2) pursuant to an Automatic Investment Plan, 3) in connection with the exercise or sale of rights to purchase additional securities from an issuer and granted by such issuer pro-rata to all holders of a class of its securities, 4) in connection with the call by the issuer of a preferred stock or bond, 5) pursuant to the exercise by a second party of a put or call option, 6) closing transactions no more than five business days prior to the expiration of a related put or call option, 7) inconsequential to any Fund because the transaction is very unlikely to affect a highly liquid market or because the security is clearly not related economically to any securities that a Fund may purchase or sell, 8) involving shares of a security of a company with a market capitalization in excess of \$500 million.

H. Funds: any series of any investment company to which the Adviser provides investment advice.

J. Related Securities: securities issued by the same issuer or issuer under common control, or when either security gives the holder any contractual rights with respect to the other security, including options, warrants or other convertible securities.

K. Securities: any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, pre-organization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral rights, or, in general, any interest or instrument commonly known as a "security," or any certificate or interest or participation in temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase (including options) any of the foregoing; except for the following: 1) securities issued by the government of the United States, 2) bankers' acceptances, 3) bank certificates of deposit, 4) commercial paper, 5) high quality short-term debt instruments, including repurchase

agreements, and 5) shares of unaffiliated registered open-end investment companies [, other than exchange traded funds].

L. Securities Transaction: the purchase or sale, or any action to accomplish the purchase or sale, of a Security for an Employee Account. The term Securities Transaction does not include transactions executed by the Adviser for the benefit of unaffiliated persons, such as investment advisory and brokerage clients.

### III. Principal Transactions

A. RSA may, from time to time, engage in principal transactions with Client. Client shall execute a written, revocable consent, prospectively authorizing RSA directly or indirectly as principal, for its own account, to sell any security to or buy any security from, Client's Account. Prior to the execution of each principal transaction, RSA will (i) disclose to Client, orally or in writing, the capacity in which RSA is acting; and (ii) obtain consent from Client, orally or in writing, for RSA to act as principal for its own account with respect to the transaction.

B. RSA will send a written confirmation at or before the completion of each transaction that includes, in addition to the information required under Rule 10b-10 under the Securities Exchange Act of 1934 (the "Exchange Act"), disclosure of the capacity in which RSA acted and a statement that RSA informed Client that may act in a principal capacity and that Client authorized the transaction. Client will receive from RSA on an annual basis a written report listing all principal transactions in Client's Account and the date and price of such transactions.

### IV. Personal Investment Guidelines

#### A. Personal Accounts

1. The Personal Investment Guidelines in this Section III do not apply to Exempt Transactions unless the transaction involves a private placement or initial public offering. Employees must remember that regardless of the transaction's status as exempt or not exempt, the Employee's fiduciary obligations remain unchanged.

2. Any Securities Transactions in a private placement must be authorized by the Compliance Officer, in writing, prior to the transaction. In connection with a private placement acquisition, the Compliance Officer will take into account, among other factors, whether the investment opportunity should be reserved for a client, and whether the opportunity is being offered to the Employee by virtue of the Employee's position with the Adviser. If the private placement acquisition is authorized, the Compliance Officer shall retain a record of the authorization and the rationale supporting the authorization. Employees who have been

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authorized to acquire securities in a private placement will be required to disclose that investment if and when the Employee takes part in any subsequent investment in the same issuer. In such circumstances, the determination to purchase Securities of that issuer on behalf of a client will be subject to an independent review by personnel of the Adviser with no personal interest in the issuer.

3. Employees are prohibited from acquiring any Securities in an initial public offering without the prior written approval of the Compliance Officer. This restriction is imposed in order to preclude any possibility of an Employee profiting improperly from the Employee's position with the Adviser. If the initial public offering is authorized, the Compliance Officer shall retain a record of the authorization and the rationale supporting the authorization.

#### B. Other Restrictions

Employees are prohibited from serving on the boards of directors of publicly traded companies, absent prior authorization by the Compliance Officer. The consideration of prior authorization will be based upon a determination that the board service will be consistent with the interests of clients. In the event that board service is authorized, Employees serving as directors will be isolated from other Employees making investment decisions with respect to the securities of the company in question.

### V. Compliance Procedures

#### A. Employee Disclosure

1. Within ten (10) days of commencement of employment with the Adviser, each Employee must certify that he or she has read and understands this Code and recognizes that he or she is subject to it, and must disclose the following information as of a date no more than 45 days prior to the date the person became an Employee: a) the title, type, CUSIP or ticker symbol, number of shares and principal amount of each Security in which the Employee has a Beneficial Interest when the person became an Employee, b) the name of any broker/dealer with whom the Employee maintained an account when the person became an Employee, and c) the date the report is submitted.

2. Annually, each Employee must certify that he or she has read and understands this Code and any amendment, and recognizes that he or she is subject to it, that he or she has complied with the requirements of this Code and has disclosed or reported all personal Securities Transactions required to be disclosed or reported pursuant to the requirements of this Code. In addition, each Employee shall annually provide the following information (as of a date no more than 45 days before the report is submitted): a) the title, type, CUSIP or ticker symbol, number of shares and principal amount of each Security in which the Employee had any Beneficial Interest, b) the name of any broker, dealer or bank with whom the Employee

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maintains an account in which any Securities are held for the direct or indirect benefit of the Employee, and c) the date the report is submitted.

## **B. Compliance**

1. All Employees must provide copies of all periodic broker account statements to the Compliance Officer. Each Employee must report, no later than 30 days after the close of each calendar quarter, on the Securities Transaction Report form provided by the Adviser, all transactions in which the Employee acquired or sold any direct or indirect Beneficial Interest in a Security, including Exempt Transactions, and certify that he or she has reported all transactions required to be disclosed pursuant to the requirements of this Code. The Report may, however, exclude transaction effected pursuant to an Automatic Investment Plan. The report will also identify any trading account, in which the Employee has a direct or indirect Beneficial Interest, established during the quarter with a broker, dealer or bank.

2. The Compliance Officer will, on a quarterly basis, check the trading account statements provided by brokers to verify that the Employee has not violated the Code. The Compliance Officer shall identify all Employees, inform those persons of their reporting obligations, and maintain a record of all current and former access persons.

3. If an Employee violates this Code, the Compliance Officer will report the violation to management for appropriate remedial action which, in addition to the actions specifically delineated in other sections of this Code, may include a reprimand of the Employee, or suspension or termination of the Employee's relationship with RSA.

4. If the Adviser has only one Advisory Employee, the Advisory Employee need not file the reports required in Section IV(A)(1) and (2) nor obtain the approvals required by Section III(A)(3) and (4) if the Advisory Employee maintains records of all personal holdings and transactions that would otherwise be reported.

## **Item 12 – Brokerage Practices**

RSA Asset Management does not have any formal or informal arrangements or commitments to obtain any research or research related products or services on a soft-dollar basis. However, due to the broker-dealers custodial relationship with Pershing LLC, we do receive services that assist RSA in managing and administering clients' accounts. These services may include software and other technology that (i) provide access to client data; (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its client accounts;

and (v) assist Portfolio Operations with back-office functions, recordkeeping and client reporting.

RSA does not receive client referrals from 3<sup>rd</sup> parties. However, if RSA does receive such a referral, we would not necessarily recommend that a client leave or remain with the referring broker.

Clients may direct RSA to execute transactions through Pershing, LLC and/or TD Ameritrade. Should a client instruct RSA to trade at a particular broker dealer other than Pershing or TD Ameritrade, this may result in greater transaction expenses and/or receive less favorable trade execution, or create a further conflict of interest.

The Adviser must allocate securities and advisory recommendations among clients in a fair and equitable manner, with no particular group or clients or the Adviser's proprietary account being favored or disfavored over any other clients. Any conflicts of interest may arise in the trading activities on behalf of clients or the Adviser and must be disclosed and resolved in the best interests of the clients.

The Adviser will determine which accounts will participate in the purchase or sale of a security based on the account's investment objectives, investment guidelines and other relevant factors. If the security is appropriate for more than one account, the Adviser may, but is not required to, aggregate the trades. Trades will generally be allocated on the basis of relative asset size of each participating account. The aggregation or blocking of client transactions allows the Adviser to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall commission charges to clients.

The Adviser's trading personnel will place an aggregate order with a broker on behalf of all participating accounts in order to ensure fairness for all accounts. When aggregating trades, the following procedures will be used:

1. Trading personnel will determine the appropriate number of shares to place with brokers and will select the appropriate brokers based upon their determination of who will likely provide best execution, except for those accounts with specific brokerage direction (if any).
2. Trading personnel will prepare a written allocation statement that specifies the manner in which the securities from the aggregated transaction will be allocated when the order is filled (wholly or partially). Any change to the allocation statement after the aggregated trade is placed, and the reason for the change, must be documented and provided to the Chief Compliance Officer.
3. The Adviser will review previous allocations over periods of time to determine whether any accounts are systematically disadvantaged as a result of aggregated transactions.
4. Clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

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If the full amount of the aggregated order is not filled, the partially executed order will be allocated on a pro-rata basis based on the size of the original allocation, subject to adjustments for rounding, odd lots and certain other allocation considerations, such as (i) the extent to which the order specifies a priority allocation to one or more accounts; (ii) the extent to which an allocation would be too small to justify processing or custodial charges associated with the transaction; (iii) the extent to which an account may be under-invested or over-invested with respect to a particular security, industry or sector in comparison to other accounts in the order; (iv) the availability of, or need for cash, (v) the extent to which the transaction costs to the account would be excessive in relation to the value of the security received, and (vi) unless the pro-rata allocation results in an amount too small to be material to the account. Orders that are added to aggregated orders subsequent to the fill or partial fill of such earlier order do not participate in such earlier fill or partial fill.

Certain orders will not be aggregated. These include:

1. Orders for clients with directed brokerage arrangements.
2. Orders for client accounts involving index or model-driven strategies.
3. When the Adviser has determined that clients will benefit from spreading trades among several brokers.

Trading errors shall be corrected promptly upon discovery. Upon discovery of a trading error, the trading error must be reported to the appropriate trading desk or portfolio manager. The nature of the error will be discussed along with any monetary liability and proposed course of resolution/remedy. The Chief Compliance Officer will review all trade errors.

If an error is identified and corrected and the correction of the trading error results in a gain or loss, the Adviser will take the resulting gain or loss. The customer will receive the correct trade price but will not share in the gain or loss of the trade.

## **Item 13 – Review of Accounts**

A clients' respective Investment Advisor Representative will perform periodic reviews of client accounts. Annual reviews with clients will be offered. More frequent reviews may be requested by clients or triggered by changes in variables such as the stock market, bond market, political or economic circumstances, or changes in the client's individual circumstances.



Asset Management clients will receive transaction confirmations and monthly, (quarterly if no monthly activity occurs) statements from Pershing or TD Ameritrade. Clients may receive quarterly reports upon request.

## **Item 14 – Client Referrals and Other Compensation**

Currently RSA does not compensate any third parties for client referrals.

## **Item 15 – Custody**

Clients should receive statements from the custodian that holds and maintains client's investment assets at least quarterly. The statements will include a list of all securities held in the portfolio, their market value as of the last day of the previous month and all trade activity for the preceding month/quarter and reflect RSA's advisory fee charges to the custodial account when applicable. RSA urges you to carefully review each statement for accuracy. RSA will take custody or control of Account assets solely for the purposes of accepting checks/securities from the client that are to be deposited to their respective advisory account. RSA also solely maintains custody for the purposes of debiting fees from accounts for services rendered.

## **Item 16 – Investment Discretion**

RSA may receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, RSA observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, RSA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to RSA in writing.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, RSA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. RSA may provide advice to clients upon request with respect to the clients' voting of proxies.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about RSA's financial condition. RSA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 – Requirement for State Registered Advisers**

Not Applicable

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