

# Rossmore Private Capital, LLC

## Form ADV Part 2A

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This brochure provides information about the qualifications and business practices of Rossmore Private Capital. If you have any questions about the contents of this brochure, please contact us at the address listed above, call us at (860) 200-6090, or send us an email at [info@rossmore.com](mailto:info@rossmore.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Rossmore, an SEC-registered investment adviser, also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration as an investment adviser does not imply a certain level of skill or training.

## Summary of Material Changes

This is a new brochure and there are no material changes to report.

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## **4. ADVISORY BUSINESS**

### *Principal Owners*

Rossmore Private Capital, LLC (“Rossmore”) is principally owned by Matthew Maclean, Brian Sheehan, and Alex Gomez. It began operations in 2017.

### *Types of Advisory Services*

Rossmore provides investment advisory services, which include asset management and family office services. Rossmore’s clients are high net worth individuals, their trusts and related entities, their private foundations, and their pension and profit-sharing plans. Rossmore offers advice on equity and fixed income securities, mutual funds, exchange-traded funds, options, real estate, and alternative assets. Rossmore also advises on assets held away from the client’s custodian.

Family office services include financial planning, income tax planning, education funding, debt management, retirement planning, estate planning, trustee services, and bill payment services.

### *Client Investment Objectives and Restrictions*

Rossmore tailors its investment advice to a client’s needs and objectives, such as growth or income, based on responses to an interview and materials provided by the client. Clients may request that certain securities or types of securities not be purchased for their accounts. Clients also may request that Rossmore harvest tax losses to offset capital gains. Rossmore has discretion over a client’s assets, which is limited by any restrictions in the investment management agreement or that Rossmore otherwise accepts.

### *Assets under Management*

As of May 2017, Rossmore had no assets under management.

## **5. FEES AND COMPENSATION**

### *Advisory Fees*

Rossmore charges annual management fees that range from 0.20 % to 2.00 % of assets under management. Fees are negotiable. Fees are calculated and charged in arrears and deducted from clients’ accounts. The annual fee includes brokerage commissions and other transaction fees when transactions are effected by Rossmore’s suggested custodian, and custodial fees assessed by such custodian. Rossmore’s fees for advising on assets held at a custodian other than such suggested custodian are negotiated with the client.

Family office services are negotiated with the client.

#### *Other Fees and Expenses*

The annual fee does not include the advisory fees charged by independent managers. Independent managers may use another firm to effect transactions for the client's account. In that case, the client will pay commissions or other transactional fees, which will be included in the price of the security. Also, if the client wishes to use a custodian other than Rossmore's suggested custodian, it will pay brokerage and transaction costs and custodial fees.

Clients whose assets are invested in mutual funds, closed end funds, exchange-traded funds, and private funds will pay their pro rata share of the fund's management fees and expenses. These fees and expenses are disclosed in the fund's prospectus or other offering documents.

#### *Compensation for the Sale of Securities*

Rossmore personnel are not compensated for the purchase or sale of securities to or from a client.

## **6. PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Rossmore does not charge performance-based or incentive fees, which are fees based upon a share of the capital gains on, or capital appreciation of, the assets in a client's account.

## **7. TYPES OF CLIENTS**

Rossmore provides investment advisory services to high net worth individuals, their trusts and related entities, their private foundations, and their pension and profit-sharing plans. The minimum required to open an account is \$1,000,000, which Rossmore may waive in its discretion.

## **8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **Methods of Analysis and Investment Strategies**

Rossmore offers customized asset allocation advice tailored to meet the client's specific needs. As needed, Rossmore provides manager and fund selection services to implement its advice. These managers are independent of Rossmore, and may manage a portion of a

client's account, or Rossmore may invest a portion of a client's assets in private funds managed by independent managers, or in registered funds. All of these vehicles are selected based upon the client's specific goals and objectives. The private funds' strategies include real estate, private equity of all types, alternative assets, commodity pools, and hedge funds.

Rossmore generally designs portfolios with a long term investment horizon and its asset allocation recommendations and its manager selection decisions reflect that long term investment horizon. Typically, a client's assets are broadly diversified across a range of asset categories. Occasionally, Rossmore identifies asset classes that it believes are mispriced. In those cases, Rossmore will make tactical asset allocation decisions based on those mispricing opportunities. The tactical asset allocation decisions usually have a shorter investment horizon than its normal allocation decisions.

In selecting independent managers, Rossmore tends to prefer managers who meet some or all of the following criteria: (1) They invest using a strict value discipline, investing only in securities that are valued by the market at a discount to the firm's estimate of intrinsic value, (2) The manager focuses first on protecting capital and secondarily on earning a reasonable rate of return, (3) The manager has a substantial portion of his net worth in the investment vehicle, (4) The investment vehicle tends to reflect the manager's best investment ideas and is, therefore, often concentrated, (5) The manager has a successful long term track record that reflects all of the aforementioned.

Rossmore uses various financial publications, third party research materials, third party financial modeling software, annual reports, prospectuses and filings with the Securities and Exchange Commission as its main sources of information.

## **Material Risks**

As with any investment, loss of principal is a risk of investing in accordance with any investment strategy. Risk is the chance that an investment's or investment strategy's actual return will be different than expected. Risk includes the possibility of losing some or all of the original investment. A fundamental idea in finance is the relationship between risk and return. The greater the amount of risk that an investor is willing to take on, the greater the potential return. The reason for this is that investors need to be compensated for taking on additional risk.

### *General Risks*

*Market risk* is defined as the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates, commodity prices, and other relevant market rate or price changes (e.g., equity prices). The price of a stock, bond or other security 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.

There can be no assurance that any investment or investment strategy will be profitable or successful in achieving its investment objectives. Clients should understand the primary risk of investing in securities involves a loss of capital and should be prepared to bear such a loss. Investment in securities comes with inherent risks in exchange for a return on that investment. A client may lose all or a portion of their principal and experience volatility in the value of that principal over time for various reasons as outlined below. This list is representative of many risks and is not necessarily a complete indication of all the risks a client may assume.

*General Economic and Market Conditions.* The success of Rossmore's strategy will be affected by general economic and market conditions, such as interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of investments), trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect, among other things, the level and volatility of securities' prices, the liquidity of investments and the availability of certain securities and investments. Volatility or illiquidity could impair profitability or result in losses.

In recent years, global markets experienced unprecedented volatility and illiquidity. The effects thereof are continuing and there can be no assurance that clients will not be materially adversely affected. These conditions have led to extensive governmental interventions. Such interventions have in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the markets and/or the effect of such restrictions on Rossmore's strategies.

### *Equity Risks*

*Equity Securities.* Clients may invest in equity and equity-related securities in the U.S. and other countries. The value of these financial instruments generally will vary with the performance of the issuer and movements in the equity markets. As a result, an account may suffer losses if it invests in equity instruments of issuers whose performance diverges from Rossmore's expectations or if equity markets generally move in a single direction and Rossmore has not hedged against such a general move. An account also may be exposed to risks that issuers will not fulfill contractual obligations such as delivering marketable common stock upon conversions of convertible securities.

*Equity Securities of Growth Companies.* Client accounts may be invested in equity securities of companies that Rossmore believes have potential for capital appreciation

greater than that of the market averages, so-called “growth” companies. The market capitalization of the growth companies may range from small to large capitalizations. Growth stocks are generally more sensitive to market movements than other types of stocks, primarily because their stock prices are based heavily on future expectations. Securities of growth companies may be traded in the OTC markets. While OTC markets have grown rapidly in recent years, many OTC securities trade less frequently and in smaller volume than exchange-listed securities. The values of these securities may fluctuate more sharply than exchange-listed securities, and Rossmore may experience some difficulty in acquiring or disposing of positions in these securities at prevailing market prices.

*Small and Mid-Cap Issuers.* Clients may invest in securities of small and mid-cap issuers. While, in Rossmore’s opinion, the securities of small and mid-cap issuers may offer the potential for greater capital appreciation than investments in securities of large-cap issuers, securities of small and mid-cap issuers may also present greater risks. For example, small and mid-cap issuers often have limited operating histories, product lines, markets, or financial resources and may be dependent for management on one or a few key persons. In addition, such issuers may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and, thus, may create a greater chance of loss than investments in securities of larger-cap issuers. The market prices of securities of small and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers. Transaction costs in securities of small and mid-cap issuers may be higher than in those of large-cap issuers.

#### *Foreign Securities Risks*

Client accounts also may invest in securities of non-U.S. issuers, including companies headquartered outside the United States. Investments in securities and instruments in foreign markets involve substantial risks not typically associated with investments in U.S. securities. Foreign securities investments may be adversely affected by changes in currency rates or exchange control regulations, changes in governmental administration or economic or monetary policy (in the United States and abroad) or changed circumstances in dealings between nations. Changes in foreign currency exchange rates relative to the U.S. dollar will affect the U.S. dollar value of a client’s assets denominated in that currency and thereby will have an impact upon the total return on such assets. Rossmore may use options and forward contracts to hedge against currency fluctuations, but there can be no assurance that such hedging transactions will be effective.

Investments in foreign securities will also occasion risks relating to political and economic developments abroad, including the possibility of expropriations or confiscatory taxation, limitations on the use or transfer of client assets and any effects of foreign social, economic or political instability. Foreign companies are not subject to the regulatory requirements of

U.S. companies and, as such, there may be less publicly available information about such companies. Moreover, foreign companies are not subject to uniform accounting, auditing and financial reporting standards and requirements comparable to those applicable to U.S. companies.

Securities of foreign issuers may be less liquid than comparable securities of U.S. issuers and, as such, their price changes may be more volatile. Further, foreign exchanges and broker-dealers are generally subject to less government and exchange scrutiny and regulation than their American counterparts. Brokerage commissions, dealer concessions and other transaction costs may be higher in foreign markets than in the U.S. In addition, differences in clearance and settlement procedures in foreign markets may occasionally lead to delays in settlements of trades affected in such markets.

Repatriation of investment income, capital and the proceeds of sales by foreign investors may require governmental registration and/or approval. Performance could be adversely affected by delays in or a refusal to grant any required governmental registration or approval for such repatriation or by withholding taxes imposed by the government of an emerging country.

Taxation of dividends, interest and capital gains received by non-residents varies among foreign countries and, in some cases, is comparatively high. In addition, some countries have tax laws and procedures that may permit retroactive taxation so that a client could in the future become subject to local tax liability.

In certain instances, rather than directly holding securities of non-U.S. companies, a client may hold these securities through an American Depositary Receipt (an "ADR"). An ADR is issued by a U.S. bank or trust company to evidence its ownership of securities of a non-U.S. company. The currency of an ADR may be U.S. dollars rather than the currency of the non-U.S. company to which it relates. The value of an ADR will not be equal to the value of the underlying non-U.S. securities to which the ADR relates as a result of a number of factors. These factors include the fees and expenses associated with holding an ADR, the currency exchange relating to the conversion of foreign dividends and other foreign cash distributions into U.S. dollars, and tax considerations such as withholding tax and different tax rates between the jurisdictions. In addition, the client's rights as a holder of an ADR may be different than the rights of holders of the underlying securities to which the ADR relates, and the market for an ADR may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the ADR and, as a consequence, the performance of the investor holding the ADR.

#### *Fixed Income Risks*

Credit risk is the risk that an issuer of a debt security will be unable to make interest and principal payments when due and the related risk that the value of a security may decline because of concerns about the issuer's ability to make such payments. Credit risk may be



heightened for accounts that may invest in “high yield” securities.

Income risk is the risk that the income earned from an account may decline because of falling market interest rates. Also, if an account invests in inverse floating rate securities, whose income payments vary inversely with changes in short-term market rates, the account’s income may decrease if short-term interest rates rise.

Interest rate risk is the risk that the value of an account will decline because of rising interest rates. Interest rate risk is generally lower for shorter-term investments and higher for longer-term investments. Duration is a common measure of interest rate risk. Duration measures a bond’s expected life on a present value basis, taking into account the bond’s yield, interest payments and final maturity. The longer the duration of a bond, the greater the bond’s price sensitivity to changes in interest rates.

During periods of declining interest rates, some bond issuers may exercise the option to prepay principal earlier than scheduled, forcing an account to reinvest in lower yielding securities. This is known as call or prepayment risk. Debt securities frequently have call features that allow the issuer to repurchase the security prior to its stated maturity. An issuer may redeem an obligation if the issuer can refinance the debt at a lower cost due to declining interest rates or an improvement in its credit rating.

During periods of rising interest rates, the average life of certain types of bonds may be extended because of lower than expected principal payments. This may lock in a below market interest rate, increase the bond’s duration, and reduce its value. This is known as extension risk. Market interest rates for investment grade fixed-income securities are currently significantly below their historical average rates. This decline may have increased the risk that these rates will rise in the future; however, historical interest rate levels do not necessarily predict future interest rate levels.

Municipal securities tax risk is the risk that income from municipal bonds could be declared taxable because of unfavorable changes in tax laws, adverse interpretations by the Internal Revenue Service or state tax authorities, or noncompliant conduct of a bond issuer. In addition, a portion of an account’s otherwise exempt dividends may be taxable to those clients subject to the federal alternative minimum tax.

High yield securities risk is the risk that these securities, which are rated below investment grade and commonly referred to as “junk” bonds, may cause income and principal losses for an account. They generally have greater credit risk, are less liquid and have more volatile prices than investment grade securities.

Liquidity risk is the risk that inventories of bonds held by brokers and dealers can and have decreased in recent years, which lessen their ability to make a market in these securities. This reduction in market making capacity can decrease liquidity and increase price volatility and trading costs in fixed income securities and their markets, especially during

periods of economic or market stress. When liquidity is decreased, an account may have to accept a lower price to sell a security, sell other securities to raise cash, or give up an investment opportunity, any of which could lower performance.

Valuation risk is the risk that an account will not be able to sell a security at the price established by the pricing service or custodian, which could result in a loss. Debt securities typically are valued by a pricing service or custodian using a range of market-based inputs and assumptions, including readily available market quotations obtained from broker-dealers buying and selling bonds and transactions for comparable bonds. Pricing services and custodians generally price bonds assuming trades in an institutional “round lot” size, but some trades may occur in smaller, “odd lot” sizes, often at lower prices than institutional round lot trades.

#### *Alternative Assets Risks*

Real Estate: Investments in real estate related assets are subject to various risks, including without limitation, the cyclical nature of the real estate market and changes in national or local economic or market conditions, the financial condition of tenants, buyers, and sellers of properties, changes in supply of, or demand for, properties in an area, various forms of competition, fluctuations in lease rates, changes in interest rates and in the availability, cost, and terms of financing, promulgation and enforcement of governmental regulations, including rules relating to zoning, land use, and environmental protection, changes in real estate tax rates, energy prices, and other operating expenses, changes in applicable laws and increased governmental regulation and various uninsured or uninsurable risks and losses.

The marketability and value of a client’s investments, and the revenues generated by such properties, will depend on these and other factors, which are beyond the control of the client and Rossmore. Investing, including investing in real estate related assets, involves risk of loss that clients should be prepared to bear.

The value of real estate securities in general, and REITs in particular, are subject to the same risks as direct investments and will depend on the value of the underlying properties or the underlying loans or interest. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property and interest rates. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying properties. REITs may be more volatile and/or more illiquid than other types of equity securities.

Commodities: Clients may invest in commodities or in commodity pools. An account’s value could be affected by changes in the values of one or more commodities to which the account has indirect or direct exposure. Commodities may be extremely volatile, difficult to value and illiquid. The value of commodities and commodity-related instruments

are affected by market movements, commodity index volatility, changes in interest rates, or factors affecting a particular sector, industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs and international economic, political and regulatory developments. Client accounts may at times have significant exposure to particular sectors through commodities-related investments, including, without limitation, the energy, industrial metals, precious metals and/or agricultural and livestock sectors and may be exposed to greater risk associated with events affecting those sectors. Commodities may also include costs associated with delivery, storage, and maintenance.

Commodity-related investments are often offered by companies in the financial services sector, including the banking, brokerage and insurance sectors. As a result, events affecting issuers in the financial services sector may cause a Client account's value to fluctuate. There can be no assurance that the values of investments in commodities will not fluctuate in a manner that is highly correlated with the values of traditional equity or debt securities, especially during adverse economic conditions, and at certain times the price movements of commodity-related investments have been highly correlated to those of debt or equity securities.

Rossmore may also directly or indirectly use commodity-related derivatives. The value of these derivatives may fluctuate more than the relevant underlying commodity, commodities or commodity index, particularly if the instruments involve leverage.

#### Private funds:

Clients may invest in private funds including hedge funds, private equity funds. Private funds entail special and unique risks including but not limited to:

**Illiquidity of Interests; Limitations on Transfer; No Market for Fund Interests:** Investors may not be permitted to transfer their interest in a private fund without the consent of the general partner of the fund. Furthermore, the transferability of their interest will be subject to certain restrictions contained in the governing documents of a fund, and will be affected by restrictions imposed under applicable securities laws.

At any time there may be no market for interests in private funds, and there can be no assurance that a market will develop. Investors should only acquire interests if they are able to commit funds for an indefinite period of time.

**Absence of Regulatory Oversight:** Private funds are not registered as investment companies under the 1940 Act. Investors do not have the benefit of the protections afforded by the 1940 Act to investors in registered investment companies.

**Side Letters or Similar Agreements:** A private fund's general partner may enter into certain side letter or similar arrangements with certain limited partners providing such partners with different or preferential rights or terms, including different economic

arrangements, the right to appoint a representative to an advisory board, and the receipt of information more frequently than, or not otherwise provided to, limited partners generally. Except as otherwise agreed with a limited partner, a private fund may not be required to disclose the terms of side letter arrangements with other fund investors.

Private funds may not maintain their securities and other assets in the custody of a bank or a member of a securities exchange, as generally required of registered investment companies. Some funds maintain custody of their assets with brokerage firms that do not separately segregate such customer assets as required in the case of registered investment companies. Under the provisions of the Securities Investor Protection Act of 1970, as amended, the bankruptcy of any such brokerage firm could have a greater adverse effect on a private fund than would be the case if custody of assets were maintained in accordance with the requirements applicable to registered investment companies.

Private funds may permit or require that redemptions of interests be made in kind. Upon redemption, an investor may receive securities that are illiquid or difficult to value. An investor may be unable to withdraw from a private fund except at certain designated times (if at all), limiting the ability to redeem assets from a fund that may have poor performance or for other reasons.

Hedge Funds: In addition to the risks generally associated with private funds, hedge funds may choose, but are not required, to engage in transactions designed to reduce the risk or to protect the value of their investments, including securities and currency hedging transactions. These hedging strategies could involve a variety of derivative transactions, including transactions in forward, swap and option contracts or other financial instruments with similar characteristics, including, without limitation, forward foreign currency exchange contracts, currency and interest rate swaps, options and short sales (collectively “Hedging Instruments”).

Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of those positions decline, but establishes other positions designed to gain from those same developments and offset the decline in the portfolio positions’ value. While these transactions may reduce the risks associated with an investment, they do not eliminate it. The risks posed by these transactions include, but are not limited to, interest rate risk, market risk, and the risk that these complex instruments and techniques will not be successfully evaluated, monitored or priced; the risk that counterparties will default on their obligations, liquidity risk and leverage risk. Changes in liquidity may result in significant, rapid and unpredictable changes in the prices for derivatives. Thus, while the hedge fund may benefit from the use of Hedging Instruments, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the fund than if it had not used such Instruments.

Hedge funds may borrow capital and/or otherwise employ leverage in an attempt to

increase returns on invested capital. The use of leverage can result in, among other things, greater fluctuation in the fund's net assets and/or a magnification of a fund's negative performance and losses.

Private Equity Funds: In addition to the risks generally associated with private funds, private equity funds require a long-term commitment with no certainty of return. A fund may make investments in companies that are in an early stage of development. These companies may have no proven operating history on which to judge future performance, little or no profits or cash flow, uncertain market acceptance and a high degree of regulatory risk. In most cases, a fund's investments will be long-term in nature and may require many years from the date of investment to the date of disposition. During that time, a portfolio company may not distribute any dividends, royalties or other income to a fund, and, as a result, investors should not expect to receive any distributions from a fund for an extended period of time. The fund's investments in portfolio companies will require capital calls over an extended period of time. If a limited partner fails to pay installments of its capital commitment and the payments made by non-defaulting limited partners and borrowings by a fund are inadequate to cover the defaulted amounts, a fund may be unable to complete its investment program or otherwise to continue operations, adversely affecting its returns. If a limited partner defaults, it may face penalties, including forfeiture of a portion of its interest. Due to the generally illiquid nature of the securities held, the fund's determination of fair value may not reflect the prices that actually would be received when securities are sold. The fund's valuations may give rise to conflicts of interest, as management fees and carried interest in funds are based, in part, on these valuations.

A fund may borrow funds to make investments as well as to defer calling committed capital. The use of leverage can result in, among other things: (i) greater fluctuations in the fund's net assets; (ii) use of cash flow for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes; and (iii) investors may be allocated income (and have tax liability) in excess of cash available for distribution.

A fund may guarantee the obligations of portfolio companies or lend to a portfolio company. If a portfolio company for which a fund has guaranteed debt defaults on its obligations, a fund may be required to satisfy this obligation by calling capital, recalling distributions or liquidating some or all of its investments prematurely at potentially significant discounts to fair value. If a portfolio company cannot repay a loan, the fund's return will be negatively affected.

## **9. DISCIPLINARY INFORMATION**

Neither Rossmore nor its management personnel have any legal or disciplinary events that are material to a client's or a prospective client's evaluation of their advisory business or the integrity of their management.

## **10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Neither Rossmore nor any of its management persons is affiliated with any financial services firm other than Rossmore.

## **11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### *Code of Ethics*

Rossmore has adopted a code of ethics in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 (“Code of Ethics”). The Code of Ethics sets forth the rules for business conduct and personal investing activities of its employees. The Code of Ethics, among other things, sets ethical standards and requires compliance with the securities laws, safeguards material nonpublic information about clients’ transactions and portfolio holdings, and requires initial and annual reports of securities holdings for access persons.

Clients and prospective clients may obtain a copy of the Code of Ethics upon request in writing to Rossmore at the address on the cover of this Brochure.

### *Participation or Interest in Client Transactions & Personal Trading*

Rossmore’s employees and officers may maintain positions in, or buy or sell the same securities or related options as clients buy or sell. In cases such as this, employees and officers would have an interest in the success of a security that may be recommended to, owned by, sold for or purchased for a client.

Employee trades are reviewed for conflicts with client trades. Employees are not permitted to buy or sell any securities that are included on a restricted security list (security trades placed by Rossmore for client accounts) for a 24 hour period unless such trades fall below a de minimis threshold. However, this restriction does not apply to employee accounts under contract with, and managed by, a professional investment manager. Employee trades will be reviewed at least monthly and, if an employee traded a security on the restricted security list, the employee trade may, on a case-by-case basis, be unwound, except as noted above. The intent of such a restriction and corrective action is to avoid potential conflicts of interest that may arise in the trading activities on behalf of clients.

Rossmore’s policy is to not engage in principal or agency cross transactions.

## 12. BROKERAGE PRACTICES

Rossmore has the authority to determine the securities that are bought and sold for clients, the amount of securities to be bought or sold, the broker dealer to be used and the brokerage commissions, dealer spreads (for fixed income securities) and other fees to be paid.

Rossmore seeks to obtain best execution for client transactions, *i.e.*, seeking to obtain not necessarily the lowest commission but the best overall qualitative execution in the particular circumstances. Best execution means not only seeking to achieve the best price but also the consideration of many factors, such as the characteristics of specific trades, the stock being traded, specific needs of clients, conditions in the market at the time the order is placed and the overall efficiency of market structure. When selecting broker-dealers, Rossmore also will consider execution capability, commission rate, the likelihood of price improvement, the speed of execution and likelihood of execution for limited orders, the ability to minimize market impact, the maintenance of confidentiality orders, and responsiveness of broker-dealers.

Rossmore does not have any formal or informal arrangements or commitments to use research, research-related products and other services obtained from broker-dealers, or third parties, on a soft dollar commission basis.

### *Trade Aggregation and Allocation*

The aggregation or blocking of client transactions allows Rossmore to execute transactions in a more timely, equitable and efficient manner. Blocking is done in an attempt to achieve a better overall price execution for a client. Rossmore will aggregate client trades when: (1) Rossmore believes that aggregation is consistent with its duty to seek best execution for its clients; (2) no advisory client will be unfairly favored over any other client; (3) each client that participates in an aggregated order will participate at the average share price for a given order, in a given security, on a given business day, and (4) if the aggregated order is not filled in its entirety, it will be allocated proportionately to receive the same allocation as the proportion of the total pre-trade allocation at the average price. For remaining portions that are filled on the following business day, clients will receive the same allocation as the proportion of the total pre-trade allocation at the average price of the business day.

Rossmore seeks to allocate securities in a manner that is fair and equitable to all clients, with no particular group or client(s) being favored or disfavored over any other clients. Rossmore prohibits allocation of trades in a manner that favors its proprietary accounts or any particular client. Clients may have different investment objectives, strategies, risk tolerance, tax status and other factors, and therefore may hold different securities, or the same securities in different percentages.

Rossmore seeks to identify and correct any errors as promptly as possible, without disadvantaging the client. Rossmore pays for losses due to its trade errors and clients

generally retain gains resulting from Rossmore's trade error.

### **13. REVIEW OF ACCOUNTS**

Rossmore reviews client performance at least monthly. Rossmore reviews asset allocation, holdings, performance, as well as industry, sector and issue concentrations and for general adherence to the chosen strategy. Clients will receive a written quarterly performance report. Clients may choose to have reports and other communications delivered electronically.

### **14. CLIENT REFERRALS AND OTHER COMPENSATION**

Rossmore does not compensate other persons for referring clients to it and does not accept economic benefits from non-clients in connection with giving advice to its clients.

### **15. CUSTODY**

Clients may grant Rossmore the authority to deduct their fees from the client's account, in which case Rossmore will be deemed to have custody of the client's account.

Clients will receive a periodic account statement from their custodian. Clients should carefully review the account statements they receive from their broker-dealer or custodian and compare them with the statements or reports received from Rossmore.

### **16. INVESTMENT DISCRETION**

Clients generally give Rossmore investment discretion over their accounts, which means that they authorize Rossmore in the investment management agreement to invest the assets in their account. Rossmore's investment discretion is limited by the terms of a client's investment management agreement and investment guidelines, if applicable.

Rossmore will not have discretion over assets held away from the client's custodian.

### **17. VOTING CLIENT SECURITIES**

Rossmore votes proxies consistent with the best economic interests of its clients. At times, Rossmore may not be able to vote proxies on behalf of clients when clients' holdings are in countries that restrict trading activity around proxy votes or when clients lend securities to third parties.

Rossmore seeks to identify any conflicts of interests between clients' interests and its own



interest within the proxy voting process. If Rossmore or one of its employees faces a material conflict of interest in voting a proxy, Rossmore will ask the client to vote the proxy.

Proxy voting information is available to clients upon request. A copy of the Policy and voting information may be obtained by writing to Rossmore at the address listed on the cover of this Brochure.

## **18. FINANCIAL INFORMATION**

Rossmore does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore has not included a balance sheet for its most recent fiscal year. Rossmore is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has it been the subject of a bankruptcy petition at any time during the past ten years.