

ARLINGTON PARTNERS[®], LLC

Part 2A of Form ADV

Firm Brochure

2000 Morris Avenue, Suite 1300
Birmingham, Alabama 35203
Main (205) 488-4300
www.arlingtonfamilyoffices.com

Brochure Date: March 30, 2020

This brochure provides information about the qualifications and business practices of Arlington Partners[®], LLC. If you have any questions about the contents of this brochure, please contact us at (205) 488-4300. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or any state securities authority.

Additional information about Arlington Partners[®], LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Any reference to or use of the terms "registered investment adviser" or "registered," does not imply that Arlington Partners[®] or any person associated with Arlington Partners[®], LLC has achieved a certain level of skill or training.

Summary

Arlington Family Offices® offers family office services to multigenerational families of significant net worth with the goal of enhancing their lives. To serve clients effectively, Arlington Family Offices® has three regulated entities:

- Arlington Partners®, LLC ("Arlington Partners"), a registered investment adviser
- Arlington Trust Company®, Inc. ("Arlington Trust"), a private trust company
- Arlington Associates, LLC ("Arlington Associates"), a tax services firm

The focus of this brochure is on the services Arlington Partners performs as a registered investment adviser. We furnish this brochure to potential and existing clients to provide them with an understanding of the services Arlington Partners offers. Our brochure also discloses potential conflicts of interest and the experience and education of certain Arlington Partners personnel.

Arlington Partners offers clients a platform of Family Office Services to choose from that best matches each client's circumstances and needs. Our Family Office Services provide integrated services to ultra-high net worth individuals, families, estates, trusts and charitable foundations. We combine and focus our resources to protect assets, control costs, and promote financial education, family governance and philanthropy.

Arlington Partners also provides investment advisory services to privately placed pooled investments ("Funds"). Our Funds, organized as domestic limited partnerships or limited liability companies, provide eligible clients access to alternative investments.

Item 2 | Material Changes

On July 28, 2010, the United States Securities and Exchange Commission ("SEC") published "Amendments to Form ADV" which requires us to provide clients a brochure and brochure supplement written in plain English. Pursuant to SEC rules, Arlington Partners updates this document annually, or more frequently in the event of certain material changes. Arlington Partners will ensure that clients receive a summary of any material changes to this and following brochures within 120 days of the close of our business' fiscal year to make sure clients are aware of any material changes to our business philosophies and practices. We will provide clients with other interim disclosures about material changes as necessary.

Since the last annual update on March 31, 2019, Arlington Partners experienced the following material change:

- Stephen Rowe was named Chief Compliance Officer effective October 31, 2019
- Kenneth H. Polk was named Chief Investment Officer effective October 31, 2019, upon the departure of Chris Trotter

Clients can request additional copies of this brochure by contacting Mr. Kenneth H. Polk, Member, CEO, and Chief Investment Officer at (205) 488-4300. This brochure is also available on our website, <http://www.arlingtonfamilyoffices.com>. We will provide clients with a new brochure anytime, without charge.

Table of Contents

Item 1 Cover Page	
Item 2 Material Changes	1
Item 3 Table of Contents	2
Item 4 Advisory Business	3
Item 5 Fees and Compensation	5
Item 6 Performance-Based Fees and Side-By-Side Management	7
Item 7 Types of Clients	8
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 Disciplinary Information	11
Item 10 Other Financial Industry Activities and Affiliations	12
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	13
Item 12 Brokerage Practices	15
Item 13 Review of Accounts	16
Item 14 Client Referrals and Other Compensation	16
Item 15 Custody	16
Item 16 Investment Discretion	17
Item 17 Voting Client Securities	17
Item 18 Financial Information	17

Item 4 | Advisory Business

Background

Arlington Partners is a privately owned, limited liability company, headquartered in Birmingham, Alabama. In 1998, the firm's founder, Kenneth H. Polk (Ken) developed an innovative model to offer a holistic and objective approach to family wealth management. Arlington is purpose-built to independently advise complex, high net worth families with the mission of enhancing their lives.

When the firm was founded over 20 years ago, Ken had a vision to create a generationally sustainable firm that was not built for sale, but rather for the purpose of serving client families for multiple generations. Since its inception, the firm has preserved this same focus and attracted talent to expand services to meet each client's unique and complex needs. Arlington's model is built on curating people families can trust for generations to come. We have united our disciplines and abilities to provide integrated advice and bespoke service to our families.

Today, the firm is owned by Mr. Polk, Peter E. Barber, Greg P. Logan, Elliot B. Robbins, Stephen J. Rowe, and Emily K. Vanlandingham. Mr. Polk remains the primary owner.

Arlington Partners had approximately \$6,661,059,796 in assets under advisement as of December 31, 2019.

This amount differs from the Regulatory Assets Under Management ("RAUM") provided in Form ADV Part 1A, Item 5 as the definition of RAUM relates to the calculation of securities portfolios. As of December 31, 2019, Arlington Partners managed a total of \$5,421,910,989 RAUM. Of this amount, \$1,815,976,829 was managed on a discretionary basis and \$3,605,934,160 was managed on a non-discretionary basis.

Family Office Services

Arlington Partners provides families an array of choices to determine how to best manage the financial complexity in their lives. We offer Family Office Services in the areas of investment advisory services, financial services, tax services, trust services, human capital services, and philanthropic services. Arlington Partners' platform consists of three, distinct service models:

Wealth Management Office ("WMO") – Individuals and families with indicators and potential to become a Multi Family Office or Single Family Office client. We establish wealth management plans and investment portfolios for WMO clients that are consistent with their objectives. Our WMO clients gain access to investments and wealth management services typically available only to larger family offices.

Multi Family Office ("MFO") – Individuals and families that choose Arlington to provide multiple services and combine forces with other like families to create economies of scale in the areas of global asset management, trust services, tax services, financial services and human capital services. Our MFO clients typically have \$20 million or more in family net worth.

Single Family Office ("SFO") – Families that run their own family office but partner with outside firms to develop deeper talent access, broader investment research mandates and access to various Arlington Partners' professionals. Our SFO clients typically have \$250 million or more in family net worth.

Additional information on our services is outlined below:

Investment Advisory Services. Arlington Partners gathers information regarding client goals, investment objectives, and risk tolerance through personal discussions with our clients. Each client's unique situation is taken into account to create and manage an investment portfolio. Within a client portfolio, Arlington Partners strategically allocates client assets among different asset classes. These typically include equities, fixed income, mutual funds, exchange traded funds, hedge funds, private equity, venture capital, real estate, or other alternative investments depending on their suitability with each client's investment objectives and risk tolerance. During the account opening process, Arlington Partners will work with clients to accommodate reasonable, client-specific restrictions on any investment strategy.

If at any time a client becomes uncomfortable with the chosen asset allocation or specific investments, or if their situation or goals change, it is the responsibility of the client to contact Arlington Partners to revisit the investment strategy and execution. Clients are also responsible for providing Arlington Partners with all relevant information on their financial condition and risk tolerance and should promptly contact us with any changes. In performing our services, Arlington Partners relies on the information provided by the client and is not required to verify this information with the client or any other professional.

Arlington Partners offers investment advisory services on a discretionary or non-discretionary basis. Clients that engage Arlington Partners on a non-discretionary investment advisory basis must be willing to accept that Arlington Partners cannot affect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. This means in the event of a market correction during which the client is unavailable, Arlington Partners will be unable to affect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.

A qualified custodian such as a bank, trust company, or broker dealer maintains client assets.

Financial Services. Arlington Partners assists clients with creating a comprehensive financial plan. Services offered include developing financial goals, cash flow management, income tax planning, education funding, insurance analysis, debt review, family company advisory, retirement planning, estate planning, bookkeeping, bill payment, and personal financial statements.

Tax Services. Tax services are offered by Arlington Associates, an affiliate of Arlington Partners, and focus on serving the unique needs of family office clients. Services offered include tax compliance, management, risk management, and controversy resolution.

Trust Services. Trust services are offered by Arlington Trust, an affiliate of Arlington Partners, which provides a discrete and private setting for Arlington Partners' clients to custody their assets and manage their complex estate plans.

Human Capital Services. Arlington Partners' human capital services focus on growing and developing succeeding generations within a family. Services can include financial literacy and education, heir preparation and development, family dynamics assessment, succession planning, and family governance. Focusing on the human capital within the family allows for family office sustainability.

Philanthropic Services. Arlington Partners assists families with managing their charitable intentions. Services offered include assistance with a family foundation or the use of Arlington Partners’ internal donor advised foundation, the Arlington Partners Charitable Foundation, Inc. Arlington Partners assists with mission development, organizational planning, and software systems that enable efficient execution of foundation operations.

Private Funds

Arlington Partners recommends private investment funds to eligible clients (“Funds”). Funds are managed according to their own characteristics and are not tailored to any particular Fund investor (“Investor”). Each Investor must be an “accredited investor” or “qualified purchaser” (as defined in Rule 501, Regulation D under the Securities Act of 1933). Investments in Funds involve additional risk factors, including, but not limited to, potential for loss of principal, liquidity constraints and lack of transparency. Unlike liquid investments, these Funds do not provide daily liquidity or pricing. Therefore, investors should consider whether a Fund meets their investment objectives, liquidity needs, and risk tolerance before investing. Some Funds are illiquid and have no readily available market or sales price, and some Funds only produce a return on capital invested when making distributions or when liquidating the investment entities themselves. The offering documents, including private placement memorandums, contain a complete discussion about each Fund. Each prospective client will be required to complete a Subscription Agreement, pursuant to which the client shall establish he/she is qualified for investment in the Fund and acknowledges and accepts the various risk factors associated with this type of investment.

Additionally, Arlington Partners is affiliated with several private investment Funds that provide eligible clients the opportunity to pool their assets and invest with high quality independent managers to which they otherwise may not have access. In such instances, Arlington Partners also serves as investment adviser to these Funds and selects third-party managers to manage client assets.

Wrap Fee Programs

Arlington Partners does not participate in wrap fee programs.

Item 5 | Fees and Compensation

Investment Advisory Services Fees

The Family Office Services Agreement (“Agreement”) entered into by each client fully discloses Arlington’s investment advisory fees. Arlington Partners charges investment advisory fees as a percentage of assets under management. Fees are payable quarterly, in advance, and are typically deducted directly from the client’s account, in line with standing instructions from the client. Some clients request to receive an invoice for fees rather than the fee being directly debited from their account.

Fees are calculated by applying the applicable advisory fee rate to the assets in each tier of the fee schedule in the client’s agreement. Asset values are calculated on the close of business on the last trading day of the previous calendar quarter.

Arlington’s standard investment advisory fee schedule is as follows:

Assets Under Management	Annual Fee
First \$50 million	0.75%
Over \$50 million	0.50%

Clients are subject to minimum annual fees. The normal minimum annual fee for new clients is \$100,000. Initial fees for Single Family Office clients (and related entities) depend on the service outsourced. Investment advisory fees and fee minimums are negotiable. Some clients will pay higher or lower rates than those shown in the current fee schedule depending on the complexity and nature of the services provided as well as particular client circumstances. Existing investment advisory clients are subject to Arlington Partners' minimum advisory fees in effect when entering the advisory relationship. Arlington Partners has the discretion to reduce or waive advisory fees for services provided to family members and friends. These rates are not available to all Arlington Partners investment advisory clients. Fees for special projects can vary from the stated schedule.

Tax Services Fees

Arlington Partners' affiliated tax services firm, Arlington Associates, charges hourly fees on tax consulting, compliance, and preparation. Hourly charges vary depending on the nature of work or scope of services, sophistication of the services provided, and professional level of personnel required. Typically, hourly charges range from \$115 to \$465 per hour.

Trust Services Fees

Fees on custody of assets, trust administration, and estate administration are charged by Arlington Partners' affiliated trust company, Arlington Trust. Charges vary depending on the size of the asset base and the nature of work or scope of services performed. The current fee schedule is available on request.

Financial Services and Other Family Office Fees

Fees related to other Family Office Services outside investment advisory services, tax services, and trust services are charged on an annual fixed fee, hourly or project basis. Hourly charges vary depending on the nature of work or scope of services, sophistication of the services provided, and professional level of personnel required. Typically, hourly charges range from \$125 to \$450 per hour. Arlington Partners determines fixed and project fees on a case-by-case basis depending on the number of households served, services used, the size of the asset base, and the complexity of the engagement. All fees are agreed to in advance with the client. Annual fixed fees are payable quarterly, in advance, and project fees are payable per the specific terms of the project.

Funds and Other Securities Fees

All fees paid to Arlington Partners for investment advisory services are separate and distinct from the fees and expenses charged by the Funds and other securities, including but not limited to management fees, incentive fees, private fund expenses, mutual fund sales charges and expenses, and commissions on trades charged by broker dealers. These fees and expenses are described in each Fund's prospectus or offering memorandum. The Brokerage Practices section of this document further describes the factors Arlington Partners considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

Fees charged to some Funds are not readily apparent to investors. Although these fees are not paid to Arlington Partners, clients need to be aware of them. For example, the Funds can invest in other privately offered pooled investments that in turn invest in underlying limited partnerships. The fees charged by an underlying pooled investment are incorporated in its net income, resulting in fees that may not be visible to Investors.

Investors should review fees charged by the Funds and other securities (some of which are earned by Arlington Partners or its affiliates) and fees charged by Arlington Partners for investment advisory services to fully understand the total amount of fees paid and to thereby evaluate the services provided.

Arlington Partners makes recommendations to invest in private Funds affiliated with and managed by Arlington Partners or a related person. Therefore, management and performance fees associated with these Funds accrue to the benefit of the Members of Arlington Partners. As more specifically discussed in each Funds' offering documents, Arlington Partners and/or its affiliates earn compensation from these Funds in addition to the fee that Arlington Partners would earn under its standard advisory schedule on page 5 of this document. Specifically, Arlington Partners will earn two separate advisory fees from client assets invested in affiliated Funds: (1) an asset under management fee under its standard advisory fee schedule; and (2) a separate investment advisory fee payable as the investment adviser to affiliated Funds. In addition, an affiliate of Arlington Partners will collect management and incentive fees from certain affiliated Funds. Arlington Partners' clients are under absolutely no obligation to consider or make an investment in any affiliated private Fund.

Out-of-Pocket Expenses

In addition to Arlington Partners fees, clients may be responsible for out-of-pocket expenses for reasonable and direct costs incurred on the client's behalf. These expenses include but are not limited to travel costs, long-distance telephone charges, courier fees, postage, and express delivery fees. Upon request, Arlington Partners will provide clients with an invoice that details any such expenses.

Contract Termination

Either party can terminate financial services agreements without penalty at any time by providing 1) notification within five business days after the agreement's effective date; or 2) written notice delivered in accordance with the notice provisions of the Agreement. On termination, any prepaid, unearned fees due to Arlington Partners will be prorated to reflect partial periods and promptly refunded. Any earned, unpaid fees will be due and payable.

The private placement memorandum ("PPM") governs termination of investments in private Funds. Each Fund's PPM outlines the terms for liquidating an investment. It can be contractually impossible to promptly redeem these types of funds because of significant notice periods, lockups or holdbacks.

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

Performance based fee arrangements create incentives for Arlington Partners to recommend investments that can be riskier than those we would recommend under a different fee arrangement. Such fee arrangements also create an incentive to favor accounts paying higher fees over other accounts when allocating investment opportunities. Arlington Partners has implemented procedures designed to ensure we treat all clients fairly and equally, and to prevent influencing allocation of investment opportunities among clients.

Occasionally, Arlington Partners enters in performance-based fee arrangements with qualified clients. Performance based fee arrangements are subject to negotiation with each such client. Arlington Partners will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940, and according to available exemptions. When measuring clients' assets

for the calculation of performance-based fees, Arlington Partners will include realized and unrealized capital gains and losses.

Item 7 | Types of Clients

Arlington Partners provides investment advisory services to clients with a particular focus on serving, high net worth families and their related entities, including family trusts and estates, as well as family foundations. In addition, Arlington Partners provides investment advisory services to other individuals, corporations and entities (including its affiliated private investment funds) -- frequently, but not always, in connection with its service to its high net worth family clients.

Clients may be subject to minimum investable asset requirements. Clients requesting Multi Family Office Services should have at least \$10 million average net worth per household and \$20 million minimum group/family net worth. Clients requesting Single Family Office Services should have at least \$250 million in family net worth. Clients requesting Wealth Management Office Services are considered based on the particular circumstances and profile of the client.

Investable asset minimums are negotiable; thus, Arlington Partners may accept clients with smaller account balances depending on the complexity and nature of the services provided and particular client circumstances. Existing investment advisory clients are subject to Arlington Partners' minimum account requirements in effect when entering the advisory relationship.

Item 8 | Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

The investment advice Arlington Partners provides is primarily driven by each client's personal investment profile. This profile is based upon numerous factors including the client's investment objectives and goals, personal risk assessment, asset class preferences, investment horizon, liquidity needs, generational requirements, charitable desires, estate planning and tax considerations. We consider these client factors in light of the then current market landscape, including appropriate asset-classes, asset-class returns (historical and projected) and correlations, various asset-class risk metrics, and general global and domestic economic conditions. Our investment team incorporates all such client/investment/economic data points and prepares an Investment Policy Statement and Asset Allocation Plan appropriate for each client's personal situation.

Our clients generally have multiple generations of family members, existing illiquid assets, a need for complex estate planning and numerous types of qualified and non-qualified accounts. We consider the location and nature of these various accounts and investments in developing an integrated plan for each client.

Critical to formulating our clients' investment framework, we believe:

- "Valuation-driven" investment decisions offer a margin of safety that results in a lower probability of losing permanent capital, which may ultimately lead to long term wealth accumulation.
- Investment discipline structured around (a) *strategic* asset allocation that is focused on clients' long-term objectives and (b) *tactical* asset allocation that, from time to time, requires us to reduce

overpriced assets and purchase underpriced assets, will naturally create a “buy low, sell high” framework to protect capital in down markets and reduce volatility.

- Collectively pooling clients’ capital for certain investment objectives can provide advantages such as (a) diversification benefits; (b) greater manager access; (c) tax-efficiencies; (d) increased responsiveness to market/economic changes; and (e) cost/expense efficiencies.
- Capital allocation, when appropriately allocated to both traditional and alternative investment strategies, has potential to produce more consistent and less volatile returns, as well as provide opportunities to gradually position portfolios towards greater value propositions.
- Allocating meaningful capital to highly qualified managers and ideas is better than over diversifying a portfolio.
- It is unlikely that a single investment firm can internally employ the “best” talent to internally trade all types of securities and strategies; therefore, we seek out highly qualified independent third-party managers within each asset class to manage our clients’ capital.
- Mean-reversion (of returns) of high-quality assets can be a powerful tool in constructing a portfolio.

Arlington Partners’ investment manager search, selection, evaluation, and monitoring services assist our clients in the identification of independent third-party managers that are consistent with the determined asset allocation plan for each client. Key factors we consider when evaluating third party managers are investment process, investment philosophy, investment team, risk management, historical performance, investment strategy and style, fees and operating expenses, fund size, and tax-efficiencies.

In evaluating investment managers, we also incorporate both qualitative and quantitative fundamental analysis to validate and confirm a manager’s investment style and skill, as well as compare them to other managers of similar style. We utilize various research databases, proprietary models, financial periodicals, prospectuses and filings with the SEC, industry contacts and manager data, among other items, as part of the research process.

If we believe that a particular manager is no longer suitable for clients, or that a different manager is more suitable for its clients' needs, then we will contract with a different manager.

Investment Strategies

Arlington Partners will recommend to client’s investments in numerous asset classes and investment strategies, including, but not limited to, the following:

Cash. Short-term money market instruments, FDIC-insured certificates and US Treasury Bills, as well as other cash-equivalent holdings;

Fixed Income. Government, sovereign, corporate, municipal, agency, collateralized, domestic, international and other types of fixed income assets or multi-strategies, both investment-grade and non-investment-grade;

Global Equities. Common stock, preferred stock and real estate investment trusts of domestic and international companies, of various sectors, styles and sizes;

Hedge Funds. Private investment pools with sophisticated strategies that buy and sell equity and debt instruments, commodities and derivatives deemed appropriate and display characteristics intended to limit the Portfolio's downside risk profile;

Private Equity. Equity and debt of illiquid, privately-held companies;

Real Estate. Equity and debt in both public and private real estate across multiple property types; and

Commodities. Physical assets and derivatives of assets such as energy (and related infrastructure), precious metals, industrial metals, agriculture and currencies.

When appropriate, Arlington Partners makes recommendations to eligible advisory clients to invest in private placement offerings or investment limited partnerships such as hedge funds and other pooled investment partnerships, including funds managed by Arlington Partners or an affiliate of Arlington Partners.

Arlington Partners' Funds focus on specific investment objectives falling into one of the following categories:

Global Equities. Long-term capital appreciation with a primary focus on long-only global stocks. This fund (Arlington Global Value Fund, LP) is sub-advised by multiple, independent third-party managers.

Hedged Strategies. Long-term capital appreciation through a variety of strategies including value driven long/short, credit oriented, event driven, and multi-strategy managers. This multi-manager fund (Arlington Diversified Fund, LLC) is advised by Arlington with manager due diligence services performed internally as well as provided by an independent third party.

Real Estate & Private Equity. Illiquid investments in buyouts, minority equity and debt positions, and/or real estate for which there is no readily available "market" or sales price. The funds (Arlington Private Equity Fund II, LLC; Arlington Private Equity Fund III, LLC; Arlington Private Equity Fund, IV, LLC; Arlington Agg I, LLC; Arlington Agg II, LLC; Arlington Agg III, LLC; High Hampton Holdings, LLC; RFG Capital II, LLC; and Milo's Holdings, LLC) are advised or managed by Arlington Partners or an affiliate of Arlington Partners.

Additional information about the Funds and the fees related to the Funds is included in each Fund's offering documents, which we provide to eligible prospective investors.

Risk of Loss

All investments involve the risk of loss, including the loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk and general economic risk. Although we manage assets in a manner consistent with clients' risk tolerances, there can be no guarantee that these efforts will be successful. Clients should be prepared to bear the risk of loss.

Our investment approach constantly keeps the risk of loss in mind. Investors can face the following investment risks:

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

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

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

Investment Risk. When securities are sold from a portfolio, they could be worth less than what was paid for them. As with any investment, some or all of the invested capital may be lost.

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 Private Funds and real estate properties are not.

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.

Reinvestment Risk. This is the risk that future proceeds from investments will 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 can result in bankruptcy and/or a declining market value.

Item 9 | Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management. Arlington Partners and our management personnel have no reportable events to disclose.

Item 10 | Other Financial Industry Activities and Affiliations

To provide family office clients with convenient, private, and cost-effective services, Arlington Partners is affiliated with a bank and an accounting firm. Members of Arlington Partners hold various financial interests in the following affiliations.

Arlington Trust

Arlington Trust is an Alabama chartered, non-depository bank based in Birmingham, Alabama with a branch office located in Franklin, Tennessee built to serve the family office clients of Arlington Partners. Arlington Trust provides a discrete and private setting for Arlington Partners' clients to custody their assets and manage their complex estate plans. Arlington Trust has sub-custodial arrangements with various depository institutions that keep physical custody of Arlington Trust's client securities and funds.

The Members of Arlington Partners hold a majority investment interest in Arlington Trust. Mr. Polk is the Managing Member of Arlington Partners, and also serves as CEO and Chairman of the Board of Arlington Trust. Mr. Rowe serves as General Counsel and President of Arlington Trust. Mr. Logan and Mr. Barber serve on the Board of Directors of Arlington Trust. Mrs. Vanlandingham serves as Chief Operating Officer for both Arlington Partners and Arlington Trust. Mr. Robbins serves as Chief Fiduciary Officer for Arlington Trust. Arlington Partners receives a monthly management fee for oversight of Arlington Trust.

Arlington Partners recommends Arlington Trust to its investment advisory clients in need of custody, trustee or other services due to Arlington Trust's flexibility, competitive cost, and focus on controls, privacy and diligence. Most of Arlington Partners' clients use Arlington Trust for custody, trustee or cash management services. However, clients of Arlington Partners are under no obligation to use services provided by Arlington Trust. Fees charged by Arlington Trust can be more, or less, than fees charged by other custodians.

Because Members of Arlington Partners have an interest in Arlington Trust, fees earned by Arlington Trust will accrue to the benefit of such Members and thus create a conflict of interest in using Arlington Trust for Arlington Partners' clients. Clients can choose to use another custodian or fiduciary and retain Arlington Partners for their investment's advisory services.

Arlington Associates

Arlington Associates is a tax services firm built to serve the unique needs of Arlington Partners' clients. Services offered include tax compliance and management, tax risk management, and tax controversy resolution.

Arlington Associates is wholly owned by certain Members of Arlington Partners, thus fees earned by Arlington Associates accrue to the benefit of such Members. Arlington Associates recommend Arlington Partners to tax clients in need of investment advisory services. Arlington Partners recommend Arlington Associates to investment advisory clients in need of tax services. Tax services offered by Arlington Associates are separate and distinct from the investment advisory services of Arlington Partners and are provided for separate and typical compensation.

There is no obligation for investment advisory clients to use Arlington Associates for any tax services. There is no obligation for Arlington Associates tax clients to use investment advisory services provided by Arlington Partners. Arlington Associates' tax services do not include the authority to sign checks or

disburse funds on behalf of any Arlington Partners investment advisory client. Arlington Partners may contract directly with Arlington Associates to provide tax services to an Arlington Partners investment advisory client. In such instances, Arlington Associates' fees will be paid directly by Arlington Partners.

Other Affiliations

Arlington Partners makes recommendations to invest in Funds that are managed by Arlington Partners or an affiliate. Thus, management and performance fees associated with the Funds accrue to the benefit of the Members of Arlington Partners. Such Funds include those described below.

- As well as owning Arlington Partners, Arlington Holdings, LLC ("AH") also owns Arlington Fund Manager, LLC ("AFM") which serves as the Manager or General Partner to Arlington Diversified Fund, LLC; Arlington Global Value Fund, LP; Arlington Private Equity Fund II, LLC; Arlington Private Equity Fund III, LLC; Arlington Private Equity Fund IV, LLC; High Hampton Holdings, LLC, RFG Capital II, LLC and Arlington Agg I, LLC.
- Agg Manager, LLC, is an Alabama limited liability company owned by certain Members of AH. It manages Arlington Agg II, LLC and Arlington Agg III, LLC.
- PC1, LLC ("PC1"), is an Alabama limited liability company owned by certain Members of AH. It manages Milo's Holdings, LLC.
- PC4, LLC ("PC4"), is an Alabama limited liability company owned by certain Members of AH. It manages High Hampton Partners, LLC.
- PC5, LLC ("PC5"), is an Alabama limited liability company owned by certain Members of AH. It participates in the performance of RFG Capital II, LLC through a profits interest.

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

Code of Ethics

Arlington Partners has adopted a Code of Ethics ("Code") to address the securities-related conduct of our employees. It is our policy to establish such procedures and guidelines governing the conduct of our business to prevent actual or potential conflicts of interest with our clients and to prevent violations of securities laws.

In addition to the firm's fiduciary duty to our clients, which requires each employee to act solely for the benefit of the clients, employees also have a duty to act in the best interests of the firm. Therefore, it is in the best of interest of Arlington Partners to avoid potential conflicts of interest, or even the appearance of such conflicts, in the conduct of our officers and employees.

While it is impossible to define all situations that might pose a risk of securities laws violations or create conflicts, the Code is designed to address those circumstances where such concerns are most likely to arise. The Code sets out the basic principles to help guide the daily conduct of all supervised employees, with particular focus on employee personal trading.

The Code also includes protecting the confidentiality of client information and complying with ethical restraints relating to clients and their own accounts. Arlington Partners expects all Supervised Persons to comply with the spirit and letter of all applicable laws, regulations and Company policies. We expect employees to be sensitive to, and act appropriately in, situations that give rise to actual as well as perceived conflicts of interest or violations of this Code.

The Code prohibits certain transactions by employees and requires pre-clearance on certain personal trades. It also reinforces the principals of fiduciary responsibility that our employees are to follow. The Code places de minimus limits on gifts given to and received from employees.

All employees must promptly report any violation of the Code to the Chief Compliance Officer. Violations of the Code can result in disciplinary action, including termination.

A copy of our Code is available to any client or prospective client upon written request to the Chief Compliance Officer at Arlington Partners'® principal office address located on the front of this brochure.

Participation or Interest in Client Transactions

Participation in client transactions always involves real or perceived conflicts of interest. Arlington Partners acts as investment adviser to numerous clients. Arlington Partners may give advice and take action on any investment advisory accounts or Funds it manages that differ from action taken by Arlington Partners for other investment advisory accounts or Funds. Arlington Partners or its related persons can invest client accounts in securities in which Arlington Partners or its related persons have a financial interest.

Personal Trading

Personal trading relates to Arlington Partners' supervised persons (directors, officers, members and certain employees), some of whom are also clients or investors. Supervised persons may buy or sell securities for their personal accounts that are identical to or different from those recommended to clients. Supervised persons also may have an interest or position in certain securities that we also recommend to our clients, inclusive of our Funds.

If it is appropriate to buy or sell a security at the same time for both a client and a Supervised Person, combined orders may be placed. In such instances, if any order is not filled at the same price, the prices obtained will be allocated among accounts on an average basis. Placing combined orders is not required. There may be times when the sale or purchase of a security for a Supervised Person may precede, occur at the same time, or follow, the sale or purchase of a security for a client, subject to the overriding principle that the interests of clients must come before the interests of Arlington Partners or its Supervised Persons.

Arlington Partners has the following restrictions governing personal investment activities by Arlington Partners Supervised Persons:

- The interests of client accounts will at all times be placed first;
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and

- Supervised Persons must not take inappropriate advantage of their positions.

Arlington Partners requires designated employees (defined as access persons under the Investment Advisers Act) to submit certain reports regarding their personal investment accounts. Per Arlington Partners' policy, the Compliance Department receives and reviews duplicate account statements and trade confirmations for these employees. This includes trades and accounts in which they or their immediate family members have a beneficial interest. Employees must obtain pre-approval prior to investing in initial public offerings or private placements.

Item 12 | Brokerage Practices

Broker Selection & Best Execution

Best execution takes into account the net cost of a transaction in addition to other factors such as, but not limited to, the specific security being traded, the size of the transaction, the desired timing of the trade, and the reputation of the broker or dealer. Best execution may not always yield the lowest commissions.

In most cases, Arlington Partners selects unaffiliated third-party managers to conduct the daily investment activities of client accounts. These managers typically determine the type and quantity of securities purchased and sold, the broker or dealer to be used, and the commission paid. Arlington Partners relies upon the fiduciary responsibility of each unaffiliated manager to review such charges on a regular basis to evaluate the reasonableness of commissions.

In the instances that Arlington Partners transacts securities for clients, Arlington Partners endeavors to select brokers or dealers that will provide best execution for client transactions.

Research and Other Soft Dollar Benefits

Arlington Partners does not participate in soft dollar arrangements. Additionally, Arlington Partners does not have commitments or understandings to trade with specific brokers or generate a specified level of brokerage commissions with a particular broker in exchange for research, brokerage or other such services.

Directed Brokerage & Aggregated Trades

Occasionally clients, when undertaking an advisory relationship, already have a pre-established relationship with a broker or dealer and will instruct Arlington Partners to direct brokerage transactions through a particular broker or dealer for their account. Clients who make such a designation must do so in writing and should be aware that there may be brokerage and execution services available elsewhere at a lower cost. In such situations, Arlington Partners may not be able to negotiate commissions or obtain volume discounts and best execution for those transactions may not be achieved. Therefore, under these circumstances a disparity in commission charges can exist between the commissions charged to other clients.

Arlington Partners has adopted policies and practices to ensure trading practices are fair to all clients and that no client or account is advantaged or disadvantaged over any other. Arlington Partners trading policies forbid unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interest as well as resolve such conflicts in the client's favor.

Arlington Partners can choose, but is not required, to combine orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our client's differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. Most trades are mutual funds where trade aggregation does not garner any client benefit.

Item 13 | Review of Accounts

Accounts are reviewed at least on an annual basis by a registered Investment Adviser Representative. During these reviews, a statement of holdings is provided and strategies for implementation of changes are discussed. Reviews that are more frequent will occur based on client request, changes issued by the Investment Committee, portfolio values and client objectives, among other factors.

Arlington Partners provides written reports at least quarterly to advisory clients that include portfolio performance, positions, values, transactions, and other information. Clients receive reports at least quarterly from the qualified custodians maintaining the client's accounts. Clients also have the option to receive confirmation of any transactions from broker-dealers.

Arlington Partners may allocate a portion of a client's entire portfolio to third party managers. Arlington Partners has an Investment Committee that reviews the performance of third-party managers on a regular basis.

Item 14 | Client Referrals and Other Compensation

Arlington Partners occasionally enters into solicitation agreements with others who may or may not be affiliated and compensate, either directly or indirectly, them for client referrals. Arlington Partners is aware of the special considerations under the Advisers Act. Accordingly, appropriate disclosures will be made, and Arlington Partners will preserve written agreements and records to comply with relevant federal and state rules.

Certain Members of Arlington Partners, through Arlington Holdings, LLC or individually, have ownership interests in Arlington Trust, Arlington Associates, AFM, Agg Manager, PC1, PC4, and PC5 ("Related Entities"). As a result, fees earned by the Related Entities will accrue to the benefit of such Members and thus create a conflict of interest. Clients of Arlington Partners, however, are under no obligation to utilize any of the Related Entities to retain Arlington Partners to provide its advisory services.

Item 15 | Custody

A "qualified custodian", such as a bank, trust company, or broker-dealer, holds client assets. Arlington Partners has a reasonable belief that the custodians holding its client assets provide at least quarterly account statements directly to those clients. Clients should carefully review these statements and should compare these statements to any account information Arlington Partners provides. Clients should contact Arlington Partners or their custodian with any discrepancies or questions.

Item 16 | Investment Discretion

Arlington Partners provides investment advisory services on a discretionary or non-discretionary basis as designated by the client in their Agreement. For many of our clients, Arlington Partners has discretion over the selection and amount of securities purchased or sold in client accounts and the broker-dealer used, without obtaining prior consent or approval from the client. Any limitations that might be placed on Arlington Partners are “client specific” and, to the extent that they exist, are detailed in writing at the opening of the client’s account. Clients must communicate any changes to these limitations to Arlington Partners in writing.

Item 17 | Voting Client Securities

Arlington Partners does not vote or proactively give advice to clients about how to vote proxies for securities held in their accounts. Clients retain all proxy voting rights and authority. For pension plans or other employee benefit plans governed by ERISA, the right and responsibility to vote proxies is reserved for the plan trustees or other plan fiduciary. If requested, Arlington Partners will provide assistance to a client, but the client always has the responsibility to make the voting decision and vote any proxies.

Arlington Partners does not advise or act on behalf of clients in legal proceedings, such as class action settlements, involving companies whose securities are held in a client's account. Clients can request Arlington Partners to send copies of class action notices to the client or a third party. In such instances, we will make commercially reasonable efforts to send these notices in a timely manner.

Item 18 | Financial Information

Arlington Partners has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.