

# **Marcado Asset Management LLC**

4940 Broadway Street, Suite 120  
San Antonio, TX 78209

(210) 320-1171  
[www.marcado.com](http://www.marcado.com)

**March 29, 2020**

## **Form ADV Part 2A Brochure**

This Brochure provides information about the qualifications and business practices of Marcado Asset Management LLC (hereinafter "Marcado Asset Management"). If you have any questions about the contents of this Brochure, please contact us at (210) 320-1171 or via e-mail at [nathan.sharp@marcado.com](mailto:nathan.sharp@marcado.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.

Marcado Asset Management is a registered investment adviser. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

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

### Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this Brochure.

On March 29, 2020, we submitted our annual updating amendment for fiscal year 2019. We did not have any material changes to report.

We review and update our brochure at least annually to make sure that it remains current. If you would like to receive a complete copy of our current brochure free of charge at any time, please contact Nathan J. Sharp, Manager, Principal, and Chief Compliance Officer, at (210) 320-1171 or [nathan.sharp@marcado.com](mailto:nathan.sharp@marcado.com).

**Table of Contents - Item 3**

**Contents**

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

#### **Advisory Business - Item 4**

Marcado Asset Management LLC (hereinafter “Marcado Asset Management”) is a registered investment adviser based in San Antonio, Texas. We are a limited liability company formed under the laws of the state of Texas. We have been providing investment advisory services since 2017. Nathan J. Sharp, Manager, Principal and Chief Compliance Officer and Andrew W. Bronson, Manager and Principal own Marcado Asset Management.

#### **Retirement Plan Services**

Currently, Marcado Asset Management offers the following retirement plan consulting and fiduciary services to employer sponsored and other qualified plans, their sponsors, and other named fiduciaries. Services are offered on an ongoing or per project basis.

#### ***Consulting Services***

Retirement Plan Consulting Services are designed to allow our IARs to assist the Sponsor in meeting his/her fiduciary duties to administer the plan in the best interests of plan participants and their beneficiaries. Retirement Plan Consulting Services may only be performed so that they would not be considered fiduciary services under ERISA. The Sponsor may elect for our investment adviser representatives to assist with any of the following services:

#### ***Administrative Support***

- Assist Sponsor in reviewing objectives and options available through the plan
- Review plan committee structure and administrative policies/procedures
- Recommend participant education and communication policies under ERISA 404(c)
- Assist with development/maintenance of fiduciary audit file and document retention policies
- Deliver fiduciary training periodically or upon reasonable request
- Assist with coordinating participant disclosures under 404(a)
- Recommend procedures for responding to participant requests

#### ***Service Provider Support***

- Assist fiduciaries with a process to select, monitor and replace service providers
- Assist fiduciaries with review of Covered Service Providers (“CSP”) and fee benchmarking
- Provide reports and/or information designed to assist fiduciaries with monitoring CSPs
- Assist with use of ERISA Spending Accounts or Plan Expense Recapture Accounts to pay CSPs
- Assist with preparation and review of Requests for Proposals and/or Information
- Coordinate and assist with CSP replacement and conversion

#### ***Investment Monitoring Support***

- Periodic review of investment policy in the context of plan objectives
- Assist the plan committee with monitoring investment performance
- Provide analysis of investment managers and model portfolios, if applicable
- Assist with Designated Investment Managers (DIMs) and/or third-party advice providers as necessary
- Educate plan committee members, as needed, regarding replacement of DIA(s) and/or QDIA(s)

#### ***Participant Services***

- Facilitate group enrollment meetings and coordinate investment education
- Assist plan participants with financial wellness education, retirement planning and/or gap analysis

#### ***Non-discretionary Fiduciary Services***

These services are designed to allow the Sponsor to retain full discretionary authority or control over assets of the Plan. We will solely be making recommendations to the Sponsor. We will perform these non-discretionary

investment advisory services through our IARs, and may charge a fee for these fiduciary services, as described in this Form ADV and the Agreement. We will perform these investment advisory services to the Plan as a fiduciary defined under ERISA Section 3(21) and we will act with the degree of diligence, care, and skill that a prudent person rendering similar services would exercise under similar circumstances.

The Sponsor may engage us to perform one or more of the following non-discretionary investment advisory services:

*Investment Policy Statement ("IPS")*

We will review with Sponsor the investment objectives, risk tolerance and goals of the Plan. If the Plan does not have an IPS, we will provide recommendations to Sponsor to assist with establishing an IPS. If the Plan has an existing IPS, we will review it for consistency with the Plan's objectives. If the IPS does not represent the objectives of the Plan, we will recommend to Sponsor revisions to align the IPS with the Plan's objectives.

Where engaged to do so, we will also review with Sponsor the funding requirements and cash flow needs of the Plan and will develop for approval by the Sponsor an IPS, which contains criteria from which we will select, monitor and replace the Plan's investments. We will conduct a periodic review of the IPS with the Sponsor. Sponsor will authorize us to collect information from the Plan's recordkeeper and actuary (if applicable), which is necessary to perform the IPS review, including, but not limited to, the Plan's interest crediting rate (if applicable) and changes in the Sponsor's employee demographics which may impact the Plan's IPS.

*Advice Regarding Designated Investment Alternatives ("DIAs")*

Based on the Plan's IPS or other guidelines established by the Plan, we will review the investment options available to the Plan and will make recommendations to assist Sponsor with selecting DIAs to be offered to Plan participants. Once Sponsor selects the DIAs, we will, on a periodic basis and/or upon reasonable request, provide reports and information to assist Sponsor with monitoring the DIAs. If a DIA is required to be removed, we will provide recommendations to assist Sponsor with replacing the DIA.

*Advice Regarding Model Asset Allocation Portfolios ("MODELS")*

Based on the Plan's IPS or other guidelines established by the Plan, we will make recommendations to assist Sponsor with creating risk-based Models comprised solely among the Plan's DIAs. Once Sponsor approves the Models, Advisor will provide reports, information, and recommendations, on a periodic basis, designed to assist Sponsor with monitoring the Models. Upon reasonable request, and depending upon the capabilities of the recordkeeper, we will make recommendations to Sponsor to reallocate and/or rebalance the Models to maintain their desired allocations.

*Advice Regarding Third-Party Advisors and/or Managers*

Based on the Plan's IPS or other investment guidelines established by the Plan, we will review the third-party investment managers available to the Plan and will make recommendations to assist Sponsor with selecting a third-party advisor or investment manager to manage some or all of the Plan's investments. Once Sponsor approves the recommendation, we will provide reports, information, and recommendations, on a periodic basis, designed to assist Sponsor with monitoring the advisor/manager. If the IPS criteria require any manager to be removed, we will provide recommendations to assist Sponsor with evaluating replacements.

*Advice Regarding Qualified Default Investment Alternatives ("QDIAs")*

Based on the Plan's IPS or other guidelines established by the Plan, we will review the investment options available

to the Plan and will make recommendations to assist Sponsor with selecting or replacing the Plan's QDIA(s).

*Participant Investment Advice*

We will meet with Plan participants, upon reasonable request, to collect information necessary to identify the participant's investment objectives, risk tolerance, time horizon, etc. We will provide recommendations to assist the participant with his/her Plan account. The participant retains sole discretion over the investment of their account.

*Advice Regarding Investment of Trust Fund*

Based on the Plan's IPS or other investment guidelines established by the Plan, we will review the investment options available to the Plan and recommend to Sponsor investments for the Plan. We will provide reports, information, and recommendations, on a periodic basis, designed to assist Sponsor with monitoring the Plan's investments. If the IPS criteria require any investment(s) to be removed, we will recommend to Sponsor replacement investment(s).

***Discretionary Fiduciary Services***

Where engaged by the Sponsor, we will perform discretionary investment advisory services through our IARs, and may charge a fee for these fiduciary services, as described in this Form ADV and the Agreement. We will perform these investment advisory services to the Plan as a fiduciary defined under ERISA Section 3(38) and we will act with the degree of diligence, care, and skill that a prudent person rendering similar services would exercise under similar circumstances.

The Sponsor may engage us to perform one or more of the following discretionary investment advisory services:

*Investment Policy Statement ("IPS")*

We will review with Sponsor the investment objectives, funding requirements, cash flow needs and goals of the Plan and will develop for approval by the Sponsor an IPS, which contains criteria from which we will select, monitor, and replace the Plan's investments. We will conduct a periodic review of the IPS with the Sponsor. Sponsor will authorize us to collect information from the Plan's recordkeeper and actuary (if applicable), which is necessary to perform the IPS review, including, but not limited to, the Plan's interest crediting rate (if applicable) and changes in the Sponsor's employee demographics which may impact the Plan's IPS.

Sponsor will notify us in writing of any modifications it may make to the IPS as well as any specific investment restrictions applicable thereto. Sponsor shall also inform us in writing of any changes in the funding policy and status applicable with respect to the Plan, including its cash disbursement requirements.

*Management of Trust Fund*

Based on the Plan's IPS or other investment guidelines established by the Plan, we will review the investment options available to the Plan and select investments for the Plan on a discretionary basis. We will provide reports, information, and recommendations, on a periodic basis, designed to assist Sponsor with monitoring us in our capacity as an "investment manager" as that term is defined under Sec. 3(38) of ERISA. If the IPS criteria require any investment(s) to be removed, we will replace the investment(s) on a discretionary basis.

*Selection and Replacement of Third-Party Advisors and/or Managers*

Based on the Plan's IPS or other investment guidelines established by the Plan, we will review the third-party investment advisors/managers available to the Plan and select a third-party investment advisor/manager to manage some or all of the Plan's investments. We will provide reports, information, and recommendations, on a periodic basis, designed to assist Sponsor with monitoring the advisor/manager. If the IPS criteria require any advisor/manager to be removed, we will replace the advisor/manager.

**Selection, Monitoring & Replacement of DIAs**

We will review with Sponsor the investment objectives, risk tolerance and goals of the Plan and provide to Sponsor an IPS that contains criteria from which we will select, monitor and replace the Plan's DIAs. Once approved by Sponsor, we will review the investment options available to the Plan and will select the Plan's DIAs in accordance with the criteria set forth in the IPS. On a periodic basis, we will monitor and evaluate the DIAs and replace any DIA(s) that no longer meet the IPS criteria.

*Selection, Monitoring & Replacement of QDIA(s)*

Based upon the options available to the Plan, we will select, monitor, and replace the Plan's QDIA(s) in accordance with the IPS. We will not, however, be the "QDIA Manager" as that term is defined under ERISA.

**Wrap Fee Programs**

We do not sponsor, manage, or participate in any wrap fee programs.

**Assets Under Management**

Due to the nature of our services, we do not have regulatory assets under management to report.

**Fees and Compensation - Item 5**

**Fees**

Fees for the Retirement Plan Services ("Fees") are negotiable depending on individual plan needs and circumstances, including, but not limited to the plan size, the scope of the services, and the number of participants, etc.

Our maximum hourly fee is \$350 per hour. Our maximum fixed fee is \$30,000 annually. The agreed upon fees will be clearly set forth in the agreement executed between us and the client. The fees charged will not exceed more than 2.5% of the amount of the plan assets. Comparable services may be available from other advisers for higher or lower fees.

Generally, the fees are payable monthly or quarterly in advance or in arrears or in accordance with the negotiated terms of the agreement executed between us and the client. One-time, project-based fees are based on a negotiated hourly or fixed fee and are due and payable upon completion as invoiced. The plan sponsor may elect to be invoiced directly for the fees or to have the fee deducted from plan assets. Other terms and payment arrangements may be negotiated between us and the client.

Sponsor may terminate the services agreement within five (5) business days of executing the agreement without incurring a penalty or charge. Otherwise, either party may terminate the agreement upon thirty (30) days prior written notice to the other party. If applicable, we will be entitled to a pro-rata amount of compensation; or, if applicable, any unearned fees paid in advance will be refunded promptly.

Sponsors receiving Retirement Plan Services may pay more or less than a client might otherwise pay if purchasing the Retirement Plan Services separately or through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the plan, the specific investments made by the plan, the number of or locations of participants, the Retirement Plan Services offered by another service provider, and the actual costs of Retirement Plan Services purchased elsewhere. In light of the specific Retirement Plan Services offered by Marcado Asset Management, the Fees charged may be more or less than those of other similar service providers.

All fees paid to Marcado Asset Management for Retirement Plan Services are separate and distinct from the fees and expenses charged by mutual funds, variable annuities and exchange traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, a client may pay an initial or deferred sales charge. The Retirement Plan Services provided by Marcado Asset Management may, among other things, assist the client in determining which investments are most appropriate to each client's financial condition and objectives and may provide other administrative assistance as selected by the client. Accordingly, the client should review both the fees charged by the funds, the fund manager, the plan's other service providers and the fees charged by Marcado Asset Management to fully understand the total amount of fees to be paid by the client and to evaluate the Retirement Plan Services being provided.

While not necessarily related to the Retirement Plan Services, various vendors, product providers, distributors and others may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. We might receive payments to subsidize our own training programs. Certain vendors may invite us to participate in conferences, on-line training or provide us publications that may further investment adviser representatives and employees' skills and knowledge. Some may occasionally provide us with gifts, meals, and entertainment of reasonable value consistent with industry rules and regulations.

No increase in the Fees will be effective without prior written notice.

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

Our firm and persons associated with our firm do not accept performance-based fees. Performance-based fees are calculated based on a share of capital gains or capital appreciation of the client's assets under management.

#### **Types of Clients - Item 7**

Our services are available to clients that are sponsors or other fiduciaries to Plans, including 401(k), 457(b), 403(b) and 401(a) plans. Plans include participant-directed defined contribution plans and defined benefit plans. Plans may or may not be subject to ERISA.

We do not require a minimum asset amount for our services.

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

We do not represent, warrant, or imply that the services or methods of analysis employed by our firm can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

We primarily utilize fundamental and cyclical analysis when providing you with investment advice.

- Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.
- Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling a security. The primary risk in using cyclical analysis is that cyclical analysis assumes that the markets react in cyclical patterns, which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles of which they are trying to take advantage.

We may use one or more of the following investment strategies when advising you on investments:

- Long Term Purchases – Securities held for over a year.
- Short Term Purchases – Securities held for less than a year.

**Investing in securities involves risk of loss that you should be prepared to bear.**

**Risks Associated with Investing in Mutual Funds:** Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns.

**Risks Associated with Investing in Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**General Investment Risk:** All investments come with the risk of losing money. Investing involves substantial risks, including complete possible loss of principal plus other losses and may not be suitable for many members of the public. Investments, unlike savings and checking accounts at a bank, are not insured by the government to protect against market losses. Different market instruments carry different types and degrees of risk and you should familiarize yourself with the risks involved in the particular market instruments in which you intend to invest.

**Loss of Value:** There can be no assurance that a specific investment will achieve its investment objectives and past performance should not be seen as a guide to future returns. The value of investments and the income derived may fall as well as rise and investors may not recoup the original amount invested. Investments may also be affected by any changes in exchange control regulation, tax laws, withholding taxes, international, political, and economic developments, and government, economic or monetary policies.

**Interest Rate Risk:** Fixed income securities and funds that invest in bonds and other fixed income securities may fall in value if interest rates change. Generally, the prices of debt securities rise when interest rates fall, and their prices fall when interest rates rise. Longer-term debt securities are usually more sensitive to interest rate changes.

**Credit Risk:** Investments in bonds and other fixed income securities are subject to the risk that the issuer(s) may not make required interest payments. An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. A lowering of the credit rating of a security may also offset the security's liquidity, making it more difficult to sell. Funds investing in lower quality debt securities are more susceptible to these problems and their value may be more volatile.

**Foreign Exchange Risk:** Foreign investments may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rates. Changes in currency exchange rates may influence the share value, the dividends or interest earned and the gains and losses realized. Exchange rates between currencies are determined by supply and demand in the currency exchange markets, the international balance of payments, governmental intervention, speculation, and other economic and political conditions. If the currency in which a security is denominated appreciates against the US Dollar, the value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security.

The investment advice provided along with the strategies suggested by Marcado Asset Management will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, you should fully understand the nature of the contractual relationship(s) into which you are entering and the extent of your exposure to risk. Certain investing strategies may not be suitable for many members of the public. You should carefully consider whether the strategies employed would be appropriate for you in light of your experience, objectives, financial resources, and other relevant circumstances.

#### Disciplinary Information - Item 9

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management. There is no history of material legal or disciplinary events regarding our firm or our management persons.

#### Other Financial Industry Activities or Affiliations - Item 10

Neither Mr. Sharp nor Mr. Bronson have any outside business activities or affiliations and we do not have any outside industry relationships or arrangements that are material to our advisory business or to our clients.

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

##### **Description of Our Code of Ethics**

Marcado Asset Management has adopted a Code of Ethics (the "Code") to address investment advisory conduct.

The Code focuses primarily on fiduciary duty, personal securities transactions, insider trading, gifts, and conflicts of interest. The Code includes Marcado Asset Management's policies and procedures developed to protect clients' interests in relation to the following topics:

- The duty at all times to place the interests of clients first.
- The requirement that all personal securities transactions be conducted in such a manner as to be consistent with the Code.
- The responsibility to avoid any actual or potential conflict of interest or misuse of an employee's position of trust and responsibility.
- The fiduciary principle that information concerning the identity of security holdings and financial circumstances of clients is kept confidential.
- The principle that independence in the investment decision-making process is paramount.

A copy of Marcado Asset Management's Code of Ethics is available upon request. Contact Nathan J. Sharp, Manager, Principal, and Chief Compliance Officer, at (210) 320-1171 or [nathan.sharp@marcado.com](mailto:nathan.sharp@marcado.com) to receive a copy free of charge.

#### **Personal Trading Practices**

At times, Marcado Asset Management or persons associated with the firm may take positions in the same securities as clients, which may pose a conflict of interest with clients. Marcado Asset Management and persons associated with the firm will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Front running (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e., positions in a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e., a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

#### **Brokerage Practices - Item 12**

When appropriate and at the client's request, we may recommend that a plan use a certain retirement plan platform or service provider (such as a recordkeeper) based on the needs of the plan. The recordkeeper will typically recommend or require the use of one or more broker-dealers or independent, qualified custodians. Recommended service providers are not affiliated with Marcado Asset Management.

#### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

#### **Directed Brokerage**

Marcado Asset Management does not place trades on behalf of clients. At the client's request, we may recommend service providers including recordkeepers, but the client is not obligated to use any recommended service provider.

**Block Trades**

Marcado Asset Management does not place trades on behalf of clients.

**Review of Accounts - Item 13****Account Reviews**

Nathan J. Sharp, Manager, Principal, and Chief Compliance Officer, and Andrew W. Bronson, Manager and Principal, monitor clients' accounts, and conduct account reviews at least quarterly.

Additional reviews may be offered in certain circumstances. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in fundamentals of securities held in the client's account, changes in economic conditions, changes in the client's financial situation or investment objectives, or upon a client's request.

You will receive regular written summary account statements directly from the account broker-dealer/custodian at least quarterly. We provide reports summarizing account performance, balances, and holdings at least quarterly.

**Client Referrals and Other Compensation - Item 14****Client Referrals**

We do not receive compensation from any third party in connection with providing investment advice to clients. Neither we nor persons associated with our firm compensate any persons (individuals or entities) directly or indirectly, for client referrals.

**Other Compensation**

Marcado Asset Management may receive additional compensation from various vendors, product providers, distributors and others. These providers may provide non-monetary compensation by paying some expenses related to training and education, including travel expenses, and attaining professional designations. Marcado Asset Management might receive payments to subsidize our own training programs. Certain vendors may invite us to participate in conferences, on-line training or receive publications that may further our skills and knowledge. Some may occasionally provide us with gifts, meals, and entertainment of reasonable value consistent with industry rules and regulations.

**Custody - Item 15**

Marcado Asset Management does not have physical custody over client funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian.

We will either invoice you for direct payment of the management fees in accordance with the advisory agreement with us; or, upon your written authorization, as paying agent for our firm; your independent, qualified custodian will directly debit your accounts for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities.

You will receive account statements from the independent, qualified custodians holding your funds and securities at least quarterly. Where applicable, the account statements from your custodians will indicate the amount of our advisory fees deducted from your accounts each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure or your plan recordkeeper.

#### Investment Discretion - Item 16

When providing any Non-discretionary Fiduciary Services, as selected by Sponsor and agreed upon in the contract for services, we will solely be making recommendations to Sponsor, and Sponsor retains full discretionary authority or control over assets of the Plan.

When providing any Discretionary Fiduciary Services, we will exercise discretionary authority over the Plan assets covered under each Discretionary Fiduciary Service selected by Sponsor and agreed upon in the contract for services. With respect to any Discretionary Fiduciary Services provided to a Plan covered by Title I of ERISA, Section 402(c)(3) of ERISA allows Sponsor to delegate responsibility for selecting, monitoring and replacing plan assets to an "investment manager" that meets the requirements of Section 3(38) of ERISA.

#### Voting Client Securities - Item 17

We have no authority or responsibility to vote any security held by the Plan or take any other action relating to shareholder rights. That authority is reserved by the Sponsor or trustee of the Plan. Although, at the client's request, we may offer clients advice regarding corporate actions and the exercise of proxy voting rights and/or materials.

In most cases, clients or other named fiduciary will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to the client or appropriate party.

#### Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about Marcado Asset Management's financial condition. Marcado Asset Management does not require the prepayment of over \$500, six or more months in advance. Additionally, Marcado Asset Management has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.