

Investment Adviser Disclosure Brochure

Form ADV Part 2A

Millennium Investment Services
16217 Kittridge Street
Van Nuys, CA 91406
(818) 902-5544
www.minvs.com

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This Part 2A of Form ADV ("Brochure") provides information about the qualifications and business practices of Millennium Investment Services ("MIS") for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us at (818) 902-5544 or via e-mail at tony@minvs.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.

MIS is an investment adviser registered with the SEC; however such registration does not imply a certain level of skill or training, and no inference to the contrary should be made.

Additional information about our firm is available on the SEC's website at:
www.adviserinfo.sec.gov.

Item 2 - Material Changes

The previous version of this Brochure for Millennium Investment Services (“MIS” or the “Firm”) was dated March 29, 2019. Below is a summary of all material changes made to this Brochure since the March 29, 2019 version:

Item 4 – Advisory Business – updated the assets under management to reflect the amount as of December 31, 2019. Also updated this section to remove certain disclosures on financial planning services, as MIS no longer offers stand-alone financial planning services.

Item 5 – Fees and Compensation – updated to: (i) reflect that MIS does adjust its investment management fee for cash flows in and out of a client account, and (ii) change the fee rate for our Concierge Services.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss – updated to reflect that MIS only purchase IPOs and SPOs for the MIS Private Fund on very rare occasions and to remove the disclosures pertaining to IPO and SPO strategies. Also updated to clarify that MIS purchases puts on a short term basis for hedging purposes.

Item 14 – Client Referrals & Other Compensation – updated to reflect that MIS has a referral arrangement in place and pays an unaffiliated firm compensation for client referrals.

In addition to the material changes referenced above, certain non-material updates have been made. Therefore, MIS strongly encourages clients and prospective clients to review this Brochure in its entirety very carefully and to call us with any questions you may have.

Pursuant to SEC Rules, the Firm will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of the Firm’s fiscal year, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as the Adviser experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover.

Currently, the Firm’s Brochure may be requested by contacting Anthony Reed, the Firm’s Chief Compliance Officer, at (818)902-5544 or tony@minvs.com. Information about the Firm is also available via the SEC’s web site at www.adviserinfo.sec.gov. The SEC’s web site provides information about any persons affiliated with Adviser who are registered, or are required to be registered, as investment Adviser representatives of Adviser.

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Item 4 - Advisory Business

A. Description of Firm

Millennium Investment Services (“MIS”) is a Los Angeles-based investment management firm that has been providing investment advisory services since 1995. Anthony M. Reed is the founder and President and has been in the financial services industry since 1994. MIS provides discretionary and non-discretionary investment advisory services (as more fully described below) to individuals, high net worth clients, pension and profit sharing plans, trusts, estates, corporations, and other types of business entities (“individually managed accounts”). MIS also manages a private investment fund (“MIS Private Fund”).

MIS is currently registered with the SEC as an investment adviser and is a California corporation. MIS conducts business primarily in California.

B. Principal Owners

MIS is 100% owned by the Anthony & Angela Reed Family Trust¹. Mr. Anthony Reed is the co-trustee and serves as the Firm’s President and Chief Compliance Officer. Please refer to Form ADV Part 1 for further details.

C. Types of Advisory Services Offered

MIS currently offers different investment strategies that pursue an overall growth investment objective, mainly utilizing both U.S equity securities and mutual funds. We invest client assets in other securities, such as exchange traded funds (“ETFs”), options, pre-IPOs (defined in Item 8 below), and private placements if we determine such investments fit within the objectives of each strategy and our clients. Because the strategies MIS offers are mainly invested in equity securities, and due to the volatile nature and the risks associated with equity securities, the actual return and value of a client’s account can fluctuate and at any point in time may be worth more or less than the amount originally invested. Please refer to Item 8 for further information on our methods of analysis and investment strategies, including details on the specific risks associated with these strategies.

1. Financial Planning Services

MIS’ financial planning services are designed to provide the client with an analysis of steps the client may wish to consider within their investment portfolio in order provide for their long-term needs. Generally, these services are provided as part our investment management services, to clients requesting such services. MIS no longer offers financial planning as a stand-alone service.

Taking into account the client’s goals, risk tolerance and long-term objectives, MIS will analyze and recommend appropriate investment strategies and allocation of assets if necessary, which MIS believes are best suited to achieve optimum overall results for the long-term.

¹ Effective December 30, 2015, the Anthony & Angela Reed Family Trust purchased all membership interests of MIS Partners, LLC (the general partner of MIS Equity Strategies, LP), and all shares of Millennium Investment Services. Mr. Scott Weiss, Mr. Mitchell Weiss and Mr. James Walker are no longer owners, related persons or affiliates of those other entities mentioned above. These purchases by the Reed Family Trust did not amount to a purchase of 25% or more of the interests of any of the three entities and therefore did not result in a change in control at any of those entities

2. Investment Management Services

The first stage of MIS' investment management services typically involves the collection of information about a client, including a client's investment objectives, risk tolerance, investment guidelines, time horizons and other important and necessary information relating to the client's assets to be managed by MIS. MIS relies upon the information provided by the client to customize its investment management services to the client. MIS typically conducts an in-person or telephone interview with each client in connection with the onset of the client relationship. It is the client's responsibility to notify MIS at any time there are changes to a client's investment objectives, risk tolerance, investment guidelines, time horizons and other important information.

In connection with providing investment management services to a client, each MIS client enters into an advisory services agreement ("Advisory Agreement") whereby MIS is granted (unless otherwise noted) a limited power-of-attorney with discretionary investment and trading authority to effect investment transactions involving client's account, including the full power and discretion to buy, sell, and trade in securities, investments and strategies provided by MIS. The discretion granted to MIS will be exercised without prior consultation with client and shall include, without limitation, the right to decide what investments to make, when to make them and when to sell them, and authorization to give instructions in furtherance of such trading authority to brokers, dealers and/or other parties necessary to effect such transactions on behalf of the client, all in accordance with MIS' investment strategy. Note that certain private securities transactions are done on a non-discretionary basis and, in such cases, the client will enter into a subscription or other investment agreement directly with the issuer of the private securities.

Clients have the ability to leave standing instructions so that MIS will refrain from investing in particular securities or types of securities, or invest in limited amounts of securities; it is the client's responsibility to notify MIS at any time there are changes to any such standing instructions. Clients may contact MIS during normal business hours to discuss the client's account, financial situation, or investment needs.

MIS also provides investment management services to an affiliated private investment fund, MIS Equity Strategies, LP ("MIS Private Fund"). Through management of the MIS Private Fund, MIS provides investment supervisory services including the selection, monitoring and reporting of equity investments in publicly traded domestic and foreign securities and other publicly traded business interests, exchange traded funds ("ETFs"), put and call options (exchange listed and unlisted), pre-IPOs (defined in Item 8 below), initial public offerings ("IPOs"), secondary public offerings ("SPOs") and private placements, warrants, debt instruments and money market instruments and rights and options on stocks (including covered call transactions) and derivatives. MIS also advises on investments in securities which are not actively traded or for which there is no existing public market, including unaffiliated hedge and other private funds.

3. Concierge Services

MIS offers one or more of the following concierge services as mutually agreed upon with the client and pursuant to the terms outlined within client's Advisory Agreement: retirement planning, personal security analysis, trustee services for trusts that hold real estate for clients

and/or business management. MIS provides assistance to the client by coordinating the agreed-upon concierge activities with the Client and any third parties, specialists, or contractors.

D. Information Relating to All MIS Services

1. Gathering Individual Client Information

Portfolios are designed for each client based on the client's own needs, circumstances, expectations and tolerance of risk, as related to MIS. Clients are encouraged to contact MIS during normal business hours to discuss their financial situation, investment needs or questions related to their account(s).

Clients will receive from their custodian/brokerage firm timely confirmations and at least quarterly statements containing a description of all transactions and all account activity. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program. In addition to custodial statements, MIS sends detailed quarterly reports to the client.

Account management is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income). In an effort to achieve the client's investment goals and objectives, MIS utilizes a mixture of equity, fixed income securities, including U.S equity securities and mutual funds, ETFs, and options, and, as applicable, private securities (i.e. alternative investments) such as pre-IPOs (defined in Item 8 below) and private placements with varying risk tolerances to comprise a client's portfolio.

MIS formulates investment proposals for its clients that are consistent with the individual client's financial and tax status and risk/reward objectives. Planning can be comprehensive, or segmented and focus on investments, insurance, taxes, and/or estate plans, dependent on client needs.

There are times when a client decides to use margin in their account, or when a margin account is necessary, such as when a client invests in options. Please note that using margin is not suitable for all investors; the use of margin increases leverage (borrowing) in a client's account and therefore increases overall risk of loss. Clients should fully understand the risks, conflicts and additional costs pertaining to margin accounts prior to implementing. Please refer to Item 8 below for further information.

2. MIS Private Fund Information

MIS does not tailor its advisory services to the individual needs of investors ("Investors") in the MIS Private Fund and has not in the past accepted any sort of investment restrictions for individual Investors in the MIS Private Fund. However, it should be noted that MIS may in the future agree to modify certain rights and privileges for certain Investors that are not available to other Investors (including without limitation, transparency rights, modified fee arrangements, reporting rights and capacity rights).

MIS manages the MIS Private Fund based on the specific investment objectives, strategy and restrictions of the MIS Private Fund, as outlined in the MIS Private Fund's confidential private Offering Memorandum, limited partnership agreement, operating agreement and/or other offering documents (collectively, the "Governing Documents"). Please see Item 8 for additional

information about the MIS Private Fund's investment strategies. Prospective investors are provided with a confidential Offering Memorandum and other documentation that detail the investment objectives, risks, fees, and other important information about the selected MIS Private Fund. It is important that each potential qualified investor fully read the offering materials prior to investing.

3. Advisory Agreement

Prior to engaging MIS to provide investment advisory services, each client (including the MIS Private Fund) will enter into a written agreement ("Advisory Agreement") with MIS, which governs the investment advice provided by MIS and sets forth the terms and conditions under which MIS shall render its services. MIS will provide this Disclosure Brochure and one or more Brochure Supplements to each client for which MIS acts as investment adviser. The Advisory Agreement will continue in effect until terminated by either party pursuant to the terms of the Advisory Agreement. MIS's fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded, as appropriate, in a timely manner. Neither party is permitted to assign the Advisory Agreement without the consent of the other party.

E. Assets Under Management

As of December 31, 2019, the following represents the amount of client assets under management by MIS on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$115,974,931
Non-discretionary	\$2,902,243*
TOTAL:	\$118,877,174

*The asset amount represents the clients' assets invested in private funds.

Item 5 - Fees and Compensation

A. Financial Planning Fees

Financial planning fees are not charged separately and are included in the fees MIS charges for investment management services.

B. Investment Management Fees

1. Individually Managed Accounts

The annual fee charged for investment management services varies based on the general orientation of the holdings of a client account and its classification under one of the three categories below, as determined in MIS' discretion. The annual fee is billed quarterly in arrears and calculated based on the value of the account assets (including cash and cash equivalents and accrued interest on fixed income securities) in the client account as of the end of the quarter. MIS also makes adjustments to the quarterly fee amount for cash flows (i.e., additions and withdrawals), which occur during the quarter. . Please refer to Item 5.E "Additional Information Regarding Our Fees and Third Party Fees and Expenses" for information on how the market value of assets is determined):

Short Term / Money Market Accounts

- Accounts less than \$1,000,000, the annual fee is 0.25%
- Accounts greater than \$1,000,000, the annual fee is 0.20%

Fixed Income Accounts

- Accounts less than \$500,000, the annual fee is 0.80%
- Accounts greater than \$500,000 the annual fee is 0.50%

Equity Accounts

- Accounts less than \$500,000, the annual fee is 1.50%
- Accounts between \$500,000 and \$1,000,000, the annual fee is 1.25%
- Accounts greater than \$1,000,000, the annual fee is 0.40% - 1.00% (the specific fee rate for accounts of this size are determined at the discretion of MIS).

The above fees are subject to an overriding minimum annual fee of \$2,000 for any full calendar year. A minimum account size of \$500,000 is required. This account minimum is negotiable at the discretion of MIS, in which case an alternate fee structure will be mutually agreed upon by MIS and the client. MIS has clients that have differing fees than the fees referenced above, including fees that are based on a flat percentage rate with no asset based tiers.

When charging advisory fees for accounts invested in more than one general asset class (i.e. equities and fixed income), MIS generally applies the fee schedule that best corresponds with the overall objective of the client's portfolio, relative to all of the client's assets under management. For example, as a general rule, clients that have more than 25% of his/her managed assets in securities other than fixed income or cash will be charged the "equity account" fees on all the managed assets. For purposes of fee tier breakpoints, MIS will aggregate all the managed assets belonging to each client and any family member living in same household. This will include:

- individual and joint accounts;
- retirement accounts;
- trust accounts, and
- corporate accounts.

MIS invoices for its fees on a quarterly basis, and such fees are payable in arrears. The first payment is assessed and due at the end of the first calendar quarter and will be assessed pro-rata in the event the Advisory Agreement is executed at any time other than the first day of the current calendar quarter. Subsequent payments are due and will be assessed on the first day after the end of each calendar quarter.

Payment of fees can be made directly by the client, or the client can authorize the custodian holding client funds and securities to deduct MIS' advisory fees directly from the client account in accordance with billing statements prepared and submitted to the custodian by MIS. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by MIS.

Fees are negotiable at the discretion of MIS. In addition, for certain family and friends of MIS, MIS has, and can do so again in the future, negotiated reduced fees and in some cases waived fees in their entirety.

2. MIS Private Fund Fees

With respect to the MIS Private Fund, MIS charges a management fee of 1.25% per year ("Fund Management Fee"). The Fund Management Fee is accrued on a monthly basis and paid quarterly in arrears (i.e., 0.3125% per quarter) and is calculated as of the last day of each calendar quarter based on the value of each Investor's capital account, and paid to MIS pursuant to the terms of the Advisory Agreement between MIS and the MIS Private Fund. An Investor will pay a pro-rata portion of the Fund Management Fee with respect to any capital contributions or withdrawals made by the Investor other than as of the first day of the calendar quarter.

The MIS Private Fund's general partner, MIS Partners, LLC (an affiliate under common control with MIS) typically receives a performance-based fee of 20% of the net capital appreciation of Investor capital accounts, calculated on a high-water mark basis (the "Incentive Allocation"). The terms of the Incentive Allocation are set forth in the MIS Private Fund's Governing Documents, which are provided to each investor and should be read fully.

MIS and MIS Partners, LLC reserve the right to calculate differently or to waive entirely the management fee and/or Incentive Allocation for Investors in the MIS Private Fund who are directors, officers, employees, members, managers, or affiliates of MIS Partners, LLC or MIS, or members of the immediate family of any of the foregoing, or similar vehicles formed for the benefit of such persons.

Upon sixty (60) days' prior written notice to MIS, an Investor in the MIS Private Fund can elect to withdraw from its capital account in whole or in part as of the end of a calendar quarter. Notwithstanding the foregoing, an Investor cannot withdraw, in whole or in part, its initial capital contribution until a period of six (6) months has passed since such investment. With respect to requests for full withdrawal of an Investor's capital balance, the MIS Private Fund will distribute an amount equal to 90% of the estimated fair market value of the capital balance as of the date of withdrawal. The remaining 10% will be held back until early in the following year, pending the completion of December 31st valuations. Further, except with the consent of MIS, a partial withdrawal by an Investor will be permitted only (i) in integral multiples of \$25,000, and (ii) if the remaining capital account balance of such Investor following such withdrawal is at least \$100,000. MIS, in its sole discretion, has in the past waived and modified the standard terms related to withdrawals set forth in the MIS Private Fund's Governing Documents for certain investors, including, without limitation, by permitting a withdrawal other than at the end of the calendar quarter. MIS reserves the right to do the same in the future.

C. Concierge Service Fees

Fees for Concierge Services are charged on an hourly basis, at rates between \$140 to \$270 per hour, depending on the personnel performing the work, and the nature and complexity of the concierge services being provided. These fees are negotiable at the discretion of MIS.

Typically, MIS will send an invoice directly to the client or their appointed agent for concierge services on a monthly basis. For clients that MIS performs bill paying services as part of their

Concierge services received, MIS will provide the client with either a copy of the invoice or expense reports that outline the fees paid to MIS.

D. Performance Based Fees

MIS charges certain clients that invest in the MIS performance fee program a performance-based fee on aggregate realized and unrealized capital gains and losses and dividend income. See Item 6 for important detailed information.

E. Additional Information Regarding Our Fees and Third Party Fees and Expenses

Clients should understand that the advisory fees described in the sections above do not include certain charges imposed by third parties such as custodial fees, mutual fund and ETF fees and expenses, and private fund management and incentive (performance) fees. Client assets also are subject to, as applicable, transaction costs, retirement plan administration fees, deferred sales charges on mutual funds, 12b-1 fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Client assets invested in mutual funds and ETFs will be subject to certain fees and expenses, which are imbedded in the price of the price of the mutual fund or ETF. These fees are described in each fund's prospectus or other applicable offering documents, which is available through MIS upon request. These fees will generally include a management fee and administrative expenses. Mutual funds also charge a distribution/service fee (i.e., 12b-1 fee) and in some cases, a front-end load (commission) or deferred sales or surrender charge. Transactions in mutual funds and ETFs also are subject to transaction fees charged by the broker executing the transaction.

Client assets invested in hedge funds or other private funds are also subject to management fees, performance fees and other expenses as described in each fund's offering materials.

The above described fees and expenses are separate from and in addition to the fees charged by MIS. Clients should carefully review the fees charged by any mutual fund, ETF, hedge funds or other private funds in which the client's assets are invested, together with the fees charged by MIS to fully understand the total amount of fees to be paid by the client and in order to evaluate the advisory services provided.

When determining market value of an account for purposes of calculating fees for investment management services, MIS has adopted the following policy: For all publicly traded securities held in client accounts, MIS obtains daily prices from the client's custodian. In cases where a market price is not readily available (e.g., pre-IPOs and private placements) and/or provided by the custodian for a security held in a client's account, MIS shall determine the security's valuation in good faith and in a manner that objectively assesses the security's "fair value" (i.e., the amount that MIS might reasonably expect to receive for the security upon sale) based on a consideration of all available facts and information (which generally includes, among other things, the valuation as provided by the operator or issuer of the holding) in accordance with MIS' written valuation procedures.

With respect to certain pre-IPOs and private placements held by MIS clients (including the MIS Private Fund), MIS will rely on the valuations prepared by an unaffiliated third party valuation

firm retained by MIS to review the valuations of such pre-IPOs (see Item 8 for additional information regarding pre-IPOs) and private placements to provide an independent opinion as to whether the values used by MIS appear reasonable based on facts and circumstances available at the time of the review. This third party valuation will occur once annually. In the event that MIS believes that the private security valuations used by MIS to calculate fees were overvalued, MIS will provide a refund of the management fees that were overcharged to the effected clients. Please be aware that lower fees for comparable services may be available from other sources.

F. MIS Private Fund Expenses

Generally, MIS will bear the costs of providing investment advisory services to the MIS Private Fund, including paying its own administrative costs and expenses, which include rents, salaries, benefits and other compensation costs, if any, of the MIS employees.

The MIS Private Fund typically will pay all ordinary and extraordinary expenses incurred by it or on the Fund's behalf, including, but not limited to, the management fees, organizational and offering expenses and all expenses relating to the MIS Private Fund's ongoing operation, such as legal, accounting, financial reporting, auditing, tax preparation and other professional services, insurance, administration expenses, taxes, research expenses, prime brokerage fees, commissions, custodial fees and other expenses related to the purchase, sale and transmittal of MIS Private Fund assets, and legal fees and costs arising in connection with any litigation or regulatory investigation against the MIS Private Fund or its general partner. All such fees and expenses are allocated pro rata to each Investor. Please refer to Item 12 of this Brochure for a description of MIS's brokerage practices.

It is critical that Investors refer to the MIS Private Fund's Governing Documents for a complete understanding of fees and expenses they pay through an investment in the MIS Private Fund. The information contained herein is a summary only and is qualified in its entirety by such documents.

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

A. MIS Performance Fee Program For Individually Managed Accounts

The MIS performance fee program ("Performance Fee Program") is available for the portfolios of clients who are interested and who meet suitability requirements and meet the definition of a "qualified client"² under Rule 205-3 of the Investment Advisers Act of 1940 ("Advisers Act") to enter into such transactions. The Performance Fee Program involves participation in a variety

² The term *qualified client* means: (i) A natural person who, or a company that, immediately after entering into an advisory contract has at least \$1,000,000 under the management of the investment adviser; or (ii) A natural person who, or a company that, the investment adviser reasonably believes prior to entering into the contract, either has a net worth of more than \$2,000,000, exclusive of primary residence and net of any debt secured by Client's residence taken out in the last 60 days except for purchase of the residence, or is a qualified purchaser as defined in section 2(a)(51)(A) of the Investment Company Act of 1940 at the time the contract is entered into; or (iii) A natural person who immediately prior to entering into the contract is either an executive officer, director, trustee, general partner, or person serving in a similar capacity, of the investment adviser or an employee of the investment adviser (other than a clerical worker) who participates in the investment activities of such investment adviser, and has performed investment activities for at least 12 months. Notably, clients who met the definition of "qualified clients" prior to the definitional change are grandfathered from these new requirements which went into effect in May 2012.

of securities transactions, the details of which are described below. Clients have the choice whether to participate or not in the Performance Fee Program. MIS maintains discretion for selecting the investments in the Performance Fee Program, without needing client approval.

The Performance Fee Program has two distinct categories of investment. They are as follows:

- (a) Equities – These are equities purchased in the open market or via private placement of the issuing company (also known as PIPEs). It also includes long call and short put options traded as an alternative to buying long equity positions in the open market. Investments in this Equities category will only be made available to clients who are eligible to be assessed a performance fee. The trading decisions relating to this category (except as noted below) will be determined by Mr. Reed, and the frequency and size of such trading cannot be predicted. Nevertheless, MIS will allocate trades in this Equities category in a fair and equitable manner, in accordance with the Firm's written aggregation and allocation policies and procedures. As for the exception referenced above, with respect to equities purchased via private placement, the purchase decision will be made by the client.
- (b) Covered Calls – This category specifically only includes the trading of ETFs that are intended to (a) be held indefinitely and (b) have call options sold against those ETF positions. The ETFs used for these purposes are typically, but are not limited to, ETFs that track the Russell 2000, the S&P 500 and the Nasdaq 100 indices.

Participation in this Covered Call category of investment is not limited to those clients that are eligible to be assessed a performance fee. Rather, participating clients are those that have chosen, after consulting with MIS, to have such covered call positions represent a certain percentage place in their overall portfolio allocation. This percentage varies by client, and is a result of the aforementioned consultation. Unless a change to a client's strategic portfolio allocation is warranted (as jointly determined by the client and MIS), the percentage of a client portfolio a client has invested in this Covered Call category of investment is expected to remain consistent (subject to fluctuations due to investment performance prior to periodic rebalancing). Thus, since that amount is known for each client, there is no potential conflict of interest on MIS' part when it comes to allocating investment dollars between "qualified" and "non-qualified" clients.

It should be noted that covered call positions (the sale of call options against a long equity or option position) will from time to time be entered into in relation to the Equities categories of investment within the Performance Fee Program mentioned above. In those instances, such covered calls would not be considered part of the Covered Call category of the Performance Fee Program and would fall under the parameters specific to the Equities category.

In addition to the above types of securities, any IPOs and SPOs (initial and secondary public offerings) that were purchased for a client's account under the firm's previous performance fee program that are still held in the account, will be included in the performance fee calculation as described herein. However, the Firm is no longer buying IPOs and SPOs for clients, only the MIS Private Fund.

1. Performance Fee Calculations

For qualified clients who elect to participate in the Performance Fee Program, MIS will assess performance fees as follows: All Performance Fee Program trading activity (which includes, among other things, the receipt of dividends and any gains and losses from option trades) in participating client accounts from December 1 through November 30 of each year will be aggregated. An aggregate total of all realized gains and losses, unrealized gains and losses, and dividend income related to the Performance Fee Program will be computed, including any unrealized gains or losses in existence as of November 30. If this calculation results in a net gain, that gain will be offset by any accumulated net losses the account sustained in this program from prior years. Any resultant net gain will be subject to a ten percent (10%) performance fee, charged to the client within 30 days of the end of the period. If such calculations result in a net loss, that loss will be carried forward and included in the calculation of performance fees charged to a client in the Performance Fee Program for the following year.

As referenced in Item 6(A)(a) above, equities issued in connection with private placements (PIPEs) are included in the Performance Fee Program. Often times, equities purchased in this manner are subject to sale restrictions. Thus, for performance fee calculation purposes, MIS will not include any unrealized gains or losses, nor income received from such positions, until the time that these private placement shares become freely tradable. From that point forward, a performance fee will be calculated, using as the starting point the original cost basis of the shares.

The performance fee is in addition to the asset based fee charged by MIS for investment management services, which means that assets subject to the performance fee also will be included in the calculation of the asset based fee charged by MIS.

There are conflicts of interest surrounding performance fees, which are outlined below. Also, MIS believes it's important to note that the fees charged by us may be higher or lower than fees charged by other advisers for comparable services. Therefore, clients should carefully review and consider all fees charged by MIS, along with applicable third party fees (see Item 5 above) to fully understand the total amount of fees to be paid and to evaluate the services being provided.

Please refer to Item 8 below for a discussion on the risks pertaining to the types of securities utilized by Millennium.

2. Conflicts of Interest

Clients should understand that certain conflicts of interest exist due to the above described performance fee arrangements, which include the fact that performance fee arrangements can create an incentive for MIS to make investments that are more risky or more speculative than might be the case in the absence of a fee based on performance. In addition, charging performance based fees could incentivize MIS to trade more frequently. However, as a fiduciary, MIS is required to act in clients' best interest and as such, and to address these conflicts, MIS has adopted certain policies and procedures pertaining to trading in client accounts.

As described in Item 5 above, with respect to certain client relationships, MIS provides advisory services for a fixed fee, hourly charges and/or based upon a percentage of assets under management, in accordance with SEC Rule 205(a)(1) and applicable state law. Notably,

accounts that are managed in the same style are not always managed the same way due to the client's overall investment objectives and guidelines, account restrictions, asset size, and discretion of the investment professional assigned to the account.

B. MIS Private Fund Performance Information

As noted in Item 5 above, the general partner of the MIS Private Fund receives incentive-based compensation (i.e., performance based fees) from the MIS Private Fund in the form of Incentive Allocation (although incentive-based compensation can be waived or reduced for certain Investors at the discretion of the general partner).

Generally, the Incentive Allocation applicable to each Investor who is charged such Incentive Allocation will be made to the general partner as of the end of MIS Private Fund's fiscal year, on a high-water mark basis. The Incentive Allocation applicable to an Investor will be made at the end of each fiscal year on a capital account-by-capital account basis, and will not be made on the basis of the MIS Private Fund's net capital appreciation as a whole.

Due to its affiliation with MIS, the general partner's receipt of performance-based compensation creates a conflict of interest in that (i) it creates an incentive for MIS to make investments that are riskier or more speculative than in the absence of such performance-based fees, and (ii) MIS and the general partner receive increased compensation with regard to unrealized appreciation as well as realized capital appreciation of an Investors capital account.

In addition, the underlying private funds that the MIS Private Fund invests in charge performance-based fees in addition to their management fees. These fees are charged to the Private Fund.

C. Side by Side Management

Regarding side-by-side management, MIS provides advisory services for a variety of clients, including high net worth individuals and the MIS Private Fund.

As outlined in this Brochure, MIS receives different types of fees, such as asset based and performance based fees. Managing clients that are charged different types of fees creates conflicts of interest between the Firm and our clients. For example, charging performance based fees could incentivize MIS to trade more frequently and/or allocate more favorable investments to performance fee based accounts. To address and help mitigate these conflicts of interest, the Firm has adopted policies and procedures regarding portfolio management and trading and also implemented the following:

- (i) MIS's portfolio management process is designed to ensure the fair allocation of investment opportunities among clients of every type and the consistency of portfolios with clients' investment objectives.
- (ii) Every effort is made to aggregate orders, with each participating account receiving the same share price for executed trades.
- (iii) MIS conducts periodic reviews of client accounts, the portfolio management process and the allocation of investment opportunities to help ensure that all are conducted in accordance with our written policies and procedures and federal securities regulations.

Item 7 - Types of Clients

MIS provides advisory services to a wide range of client types, such as individuals, high net worth clients, pension and profit sharing plans, trusts, estates, and business entities (“individually managed accounts”). MIS also manages an affiliated private investment fund (“MIS Private Fund”).

Generally the minimum account size for individually managed accounts is \$500,000, subject to a minimum annual fee of \$2,000. The minimum fee could increase the maximum percentage rate paid on smaller accounts to more than the 1.50% annualized fee, as shown on the standard fee schedule above.

MIS does not have any minimum requirements (either in the form of fees or asset size) for its Financial Planning Services and/or Concierge Services.

The minimum for investment in the MIS Private Fund is outlined in the Governing Documents and is subject to reduction or waiver at the discretion of MIS.

If a client’s account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), MIS may be a fiduciary to the plan. In providing our investment management services, the standard of care imposed upon us is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. MIS will provide certain required disclosures to the “responsible plan fiduciary” (as such term is defined in ERISA) in accordance with Section 408(b)(2), regarding the services MIS provides and the direct and indirect compensation received by such clients. Generally, these disclosures are contained in this Form ADV Part 2A, the client agreement and/or in separate ERISA disclosure documents, and are designed to enable the ERISA plan’s fiduciary to: (1) determine the reasonableness of all compensation received by MIS; (2) identify any potential conflicts of interests; and (3) satisfy reporting and disclosure requirements to plan participants.

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

A. Methods of Analysis

MIS uses a variety of analytical information to assist with its security analysis. Generally, such information includes fundamental and technical analysis. The primary sources of information used by MIS include market news reports, financial publications, outside research reports, prospectuses, and interpretation of exchange market data.

The investment strategies MIS pursues on behalf of clients usually include, depending on each client’s risk tolerance and overall investment objectives, long- and short-term purchases, trading, short sales, trading on margin, and option trading including covered options, uncovered options or spreading strategies. From time to time, MIS recommends specific investments to increase sector weighting and/or dividend potential, or employing cash positions as a possible hedge against market movement, which can adversely affect a client’s portfolio. Additionally, MIS recommends selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of

securities, overvaluation or overweighting of the position(s) in a client's portfolio, change in the risk tolerance of the client, or any risk deemed unacceptable for the client's risk tolerance.

In structuring investment portfolios, MIS focuses its attention on the allocation of assets among a variety of asset classes. Asset classes can be as general as cash, fixed-income and equities, then can be broken down into much smaller sectors of investment, including, but not limited to:

Fixed Income

- Federal and municipal bonds of varying maturities
- Corporate bonds of varying maturities and ratings

Equities

- Domestic large cap, small cap, value and growth
- International equities from developed and emerging markets
- Sectors, such as technology, finance, healthcare, real estate, etc.

While the above are usually listed securities, MIS does invest in and/or recommend privately offered securities, including private investment funds and private investments in public equity (PIPEs). MIS' analysis generally includes a combination of charting, fundamental, technical, and cyclical factors. There are exceptions to this general approach where, for a variety of reasons, traditional fundamental analysis is not practicable. See additional details below in this Item 8.

B. Investment Strategies

MIS' core investment strategy is to utilize mutual funds, broad market ETFs, covered call positions relating to broad market indices and occasionally individual equity, covered call and fixed-income securities, in order to construct a well-diversified portfolio.

For clients who express an interest in moving outside of that core strategy, MIS recommends additional strategies as further described below. Please note, the below strategies are also utilized for the MIS Private Fund.

Covered Call Writing

Covered call writing is a risk-mitigation, hedging technique. This strategy is designed to utilize options in a manner that mitigates risk and speculation. It involves buying a stock and simultaneously selling a call option against that stock. This structure effectively enters into a contractual obligation to sell our stock to the option buyer (also called the "speculator") for a specified price during a specified period of time.

Notably, covered call writing is not a loss prevention strategy, since the stock can decline below the break-even price. If the price of a covered stock falls below break-even, MIS will have to decide whether to (a) sell the stock for a loss, (b) keep the stock in the hope that it goes back up, or (c) sell another call option against it, thereby reducing the cost basis further as we wait for the new option period to run its course. Note that MIS' covered call strategy may not effectively provide sufficient downside protection, and there is no consensus among academics that covered call writing is effective for this purpose. Other option strategies may be more effective or appropriate for certain hedging purposes.

MIS includes Covered Calls in the portfolios of those clients that are interested in participating, and who meet the suitability requirements to enter into such transactions. The Covered Call program is discretionary, and MIS determines which clients participate in each Covered Call investment.

Pre-IPOs³ and Private Placements

From time to time, MIS will recommend investments in pre-IPOs or in private funds that invest in pre-IPOs (a “Pre-IPO Fund”) and private placement investments. These investments are not traded on any public market and there is typically no ability for the purchaser of a pre-IPO or private placement to sell such an investment. In addition, pre-IPOs and private placements are typically subject to transfer restrictions which require permission of the issuer or another third party before such an investment can be sold to another interested purchaser. Additionally, pre-IPOs usually have restrictions and/or required holding periods attached to these shares, which limit the purchaser’s ability to sell the shares once the issuing company has its initial public offering and the company’s shares are publicly traded. This lock up period is usually 6 months after the initial public offering. Also, if the pre-IPO shares are held in a Pre-IPO Fund, there could be additional selling restrictions imposed by the Pre-IPO Fund. Clients should be aware that the limitations/restrictions create a potential for risk of loss that should be considered prior to investment.

Due to the nature of the pre-IPO, Pre-IPO Fund and private placement opportunities and because limited information is typically available about these types of investments, the due diligence that MIS is able to perform on pre-IPO opportunities and some private placements is limited. Additionally, there is frequently a short period of time between the time MIS learns of a pre-IPO or private placement investment opportunity and the time by which MIS must express interest in investing in such an opportunity. As a result, MIS’ typical due diligence process with respect to these investment opportunities consists of a combination of the following: (i) a conference call with issuer management regarding the investment opportunity, (ii) participation in webinars where issuer information is presented to interested potential investors, (iii) review of the offering documents relating to investment in the issuer, (iv) consideration of the reputation of the deal source and Registrants’ personal knowledge and experience with the issuer based on prior Private Investments, (v) review the issuer’s website and media articles about the issuer, and (vi) additional electronic research of the issuer and the individuals on its management team. In addition, MIS will seek to obtain physical evidence that all pre-IPO shares being sold to investors in a Pre-IPO Fund can be accounted for, in the name of the Pre-IPO Fund. Preferably, this evidence will take the form of actual share certificates issued in the name of the Pre-IPO Fund, but there is no guarantee that MIS will actually receive such evidence of ownership.

MIS has adopted policies and procedures pertaining to performance of due diligence on investment opportunities. The policies and procedures outline the areas that MIS reviews, such as corporate structure, industry and financial information, technology, compliance, and products and services. Certain additional due diligence areas pertaining to private funds include review

³ As used in this Brochure, the term “pre-IPO” refers to a security of an issuer that has not yet gone public, but that is expected to do so within the next few years, if not sooner. The term “Pre-IPO Fund” refers to an entity that has been established for the purpose of holding shares of pre-IPOs. Shares of pre-IPO companies are acquired by the issuer of the Pre-IPO Fund from a variety of sources, which can include, but are not limited to, employees or vendors of the company that is expected to go public. The issuer of the Pre-IPO Fund then bundles these shares and sells them to investors in their Pre-IPO Fund. In virtually every case, the shares held in the Pre-IPO Fund are subject to a 6-month post-IPO lock-up period. Thus, after 6-months have passed from a company’s IPO, the Pre-IPO Fund will distribute the shares to the members/ investors of the Pre-IPO Fund.

of offering documents, considerations of a fund's service providers, historical performance, types of underlying investments, and risks.

The information collected by MIS and due diligence performed in connection with any one investment is dependent on the facts and circumstances relating to that investment. Depending upon the nature of the investment, the information obtained and steps taken will usually vary.

The same limitations on information available before investing in a pre-IPO or private placement apply to monitoring such an investment after it is purchased. While MIS endeavors to subject pre-IPOs and private placements to its standard monitoring procedures, there is no guarantee that the information those procedures request will be available to MIS. As a result, MIS' ongoing due diligence and monitoring of pre-IPOs and private placements is limited to the initial due diligence steps described above. Clients should be aware that because of these limitations, there are increased risks associated with these investments which should be considered prior to investing.

In addition to the above, MIS had also utilized an IPO and an SPO investment strategy for the MIS Private Fund; however, currently MIS only purchases an IPO or SPO for the MIS Private Fund on rare occasions.

C. Material Risks

Investing in securities involves a significant risk of loss. MIS's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients and Investors should be aware that there can be a loss or depreciation to the value of the client's account/MIS Private Fund, which clients and Investors should be prepared to bear. There can be no assurance that the client's investment objectives or the MIS Private Fund's investment objectives will be obtained and no inference to the contrary should be made. Clients and Investors are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk and consequently, the value of the client's account/MIS Private Fund may at any time be worth more or less than the amount invested. In addition, there is no assurance that any security purchased by MIS will achieve its investment objective or that any of MIS' investment strategies will be profitable. Clients and Investors should be aware of the limited due diligence conducted by MIS in certain instances (as outlined in Item 8 B, above), which could materially impact the risk associated with an investment opportunity. Past performance of investments is no guarantee of future results. For those investments sold by prospectus or private placement memorandum, clients should read the prospectus and offering documents in full.

In addition to the risks outlined in Item 8.B above, MIS is disclosing those risks and opportunities for our investment strategies and/or for particular types of securities used. The below list is not all inclusive as each mutual fund, ETF, private fund offerings and other investment products have various risks depending on the underlying securities they invest in. Therefore, it's important that clients carefully read all offering documents provided to fully understand all risks involved.

- Mutual funds and ETFs offer a certain degree of investment protection, dependent upon the underlying investments and diversification among a group of securities. Underlying investments of a mutual fund/ETF (e.g. stocks, bonds or in some instances, alternative

investments) will always carry the potential for substantial market and/or interest rate risk. Thus, mutual fund and EFT investors should understand that the possibility of a substantial decline in value always exists to some degree.

- Debt securities are subject to interest rate risk. In a rising interest rate environment, the value of existing debt securities will often decline. Debt securities with longer periods of time to maturity will typically be more negatively impacted by rising rates than those securities with shorter maturities.
- High yield securities are corporate debt securities rated below investment grade. While MIS does not recommend the purchase of an individual fixed income security that is deemed below investment grade, MIS does recommend mutual funds that invest in these securities. Such securities are more impacted by changes in the economic environment than by changes in interest rates. Thus, in times of declining economic activity, there exists a greater risk of default with high yield securities.
- With respect to most pre-IPOs and private placements (including private funds and PIPEs), MIS will request, but may not receive, important information related to the issuer including, without limitation, a complete set of financial statements, information relating to management and turnover, events that could affect the operations of the issuer, and other material information. In these situations, such investments pose a greater risk. In many cases relating to pre-IPOs and private placements, such investments have limited or no revenues or cash flows. In such an instance, MIS will employ the diligence methods discussed in Item 8.B above.
- As discussed above, the covered call writing strategy is, at its core, a hedging strategy which looks to lessen the risks of equity ownership, the fact remains that it still represents the equity ownership of a company. While the call option proceeds may help to provide some downside protection, they do not prevent the possibility of a substantial decline in overall value, since if the stock price plummets the call proceeds received may only provide a small amount of cushion in offsetting a large loss of value in the stock.
- As a matter of practice, MIS does not engage in attempts to time short-term market movements. However, MIS does purchase puts for clients from time to time on a short term basis for hedging purposes.
- There are tax consequences for short-term trading wherein capital gains are taxed as ordinary income. MIS clients should be aware that most of the trading activity that occurs in the covered call writing strategy involves transactions that are treated as ordinary income for tax purposes.
- Below are some of the main risks associated with investing in options:
 - When writing covered call options to produce income for a client's account, there can be times when the underlying stock is "called" (call option contract exercised or assigned) by the investor that purchased the call option. That means the client would be required to sell the underlying security at the exercise (pre-determined) price to that investor.

- Clients are usually required to open a margin account in order to invest in options, which carries additional risks and would result in margin interest costs to the client.
 - Option positions can be adversely affected by company specific issues (the issuer of the underlying security) which include but are not limited to bankruptcy, insolvency, failing to file with regulatory bodies, being delisted, having trading halted or suspended, corporate reorganizations, asset sales, spin offs, stock splits, mergers and acquisitions. In addition, market related actions, political issues, and economic issues can adversely affect the option market. These factors could restrict, halt, suspend, or terminate option positions written (sold) or purchased.
 - Changes in value of the option may not correlate with the underlying security, and the account could lose more than principal amount invested.
 - Options involve risk and are not suitable for all clients. Therefore, a client should read the option disclosure document, "Characteristics and Risks of Standardized Options", which can be obtained from any exchange on which options are traded, at www.optionsclearing.com, or by calling 1-888-OPTIONS, or by contacting your broker/custodian.
- Foreign Risk: Investments in foreign securities pose special risks, including currency fluctuation and political risks, and such investments can be more volatile than that of a U.S. only investment. The risks are generally intensified for investments in emerging markets.
 - Currency Risk: Foreign investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
 - Political and Legislative Risk: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies who conduct a substantial amount of their business outside of the United States.
 - Liquidity Risk: The risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk is typically reflected in a wide bid-ask spread or large price movements. It also is a risk associated with an investments in pre-IPOs, private placements (including PIPEs) and private funds.
 - Margin Risk: There are a number of risks that investors need to consider in deciding to open a margin account. These risks include, but are not limited to the following:
 - You can lose more assets than you deposit in the margin account. A decline in the value of securities that are purchased on margin may require you to provide additional monies to the account to avoid the forced sale of those securities or other securities in your margin account.

- The broker-custodian firm that holds your assets can force the sale of securities in your account. If the equity in your account falls below the maintenance margin requirements under the law—or the broker-custodian firm’s higher “house” requirements—that firm can sell the securities in your account to cover the margin deficiency. You will also be responsible for any short fall in the account after such a sale.
- The broker-custodian firm can sell your securities without contacting you. Some investors mistakenly believe that a broker-custodian firm must contact them for a margin call to be valid, and that the broker-custodian firm cannot liquidate securities in their accounts to meet the call unless such firm has contacted them first. This is not the case. As a matter of good customer relations, most broker-custodian firms will attempt to notify their customers of margin calls, but they are not required to do so.
- You are not entitled to an extension of time on a margin call. While an extension of time to meet initial margin requirements may be granted to you by the broker-custodian firm under certain conditions, they are not required to provide any extension. In addition, they also are not required to provide an extension of time to meet a maintenance margin call.

Depending on the sophistication and risk tolerances of its clients, MIS recommends, as part of a client’s overall investment strategy, that a portion of such client’s assets be invested in private placements (including private funds) or other alternative investments. Such investments present special risks for MIS’s clients, including without limitation, limited liquidity, higher fees, volatile performance, heightened risk of loss, limited transparency, special tax considerations, subjective valuations and limited regulatory oversight. Therefore, private investments will not always be suitable for all MIS clients and will be offered only to those qualifying clients for whom an investment therein is determined to be suitable. Generally, such investments are available for investment only to a limited number of sophisticated investors who meet the definition of “accredited investor” under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”) and “qualified client” under the Investment Advisers Act of 1940. It is important that each potential qualified investor fully read each offering or private placement memorandum prior to investing.

Private funds often impose performance-based fees or incentive allocations payable to the fund manager or general partner. Such performance-based fee/incentive allocation structures create an incentive for the managers of the private funds to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee/incentive allocation structure. Additionally, the performance-based fee structure could also cause the portfolio managers responsible for the private funds to devote a disproportionate amount of time to the management of the private funds, and compensation can be larger than it otherwise would have been because the fee/incentive allocation will be based on account performance instead of a percentage of assets under management. Please refer to Item 6 above for additional information.

Some of the private funds that MIS invest in for clients employ alternative or riskier strategies, such as the use of leverage or hedging. Leverage is the use of debt to finance an activity. For example, leverage is used when one uses margin to buy a security. Hedging on the other hand occurs when an investment is made in order to reduce the risk of adverse price movements in a

security. For example, hedging is used when one takes an offsetting position in a related security, such as an option or short sale. While leverage or hedging can operate to increase rates of return, it also increases the amount of risk inherent in an investment. They also can employ other alternative techniques which carry inherent higher degrees of risks.

MIS recommends, from time to time, investments in private funds that are considered “funds of funds” and the investments and strategies for the underlying portfolio funds can include leverage, short sales, uncovered options, futures, derivative instruments, forward and swap foreign exchange contracts, non-U.S. securities, “junk” bonds, and illiquid investments. Such funds carry high costs, substantial risks, such as the risks inherent in an investment in securities, as well as specific risks associated with each particular underlying fund’s investment strategy.

Additionally, certain private funds may be more illiquid than others, meaning that an investor’s investment can be “locked up” for a defined period of time or for the life of the private fund. The illiquidity of each private fund depends on a few factors, including but not limited to the type and liquidity of the private fund’s underlying investments. It is important for investors to read all offering documents fully before investing.

D. Additional Risks Specific to the MIS Private Fund

Investors and potential Investors should be aware that an investment in the MIS Private Fund involves a high degree of risk and is suitable only for sophisticated investors for whom an investment in the MIS Private Fund does not represent a complete investment program, and who fully understand and are capable of bearing the risk of an investment in the Private Fund.

There can be no assurance that the MIS Private Fund’s investment objective will be achieved or that the Investors will receive a return of its capital, and investment results may vary substantially on an annual basis.

Investors and prospective Investors are provided with confidential offering documents that contain a detailed description of the material risks related to an investment in the MIS Private Fund, and are advised to carefully review all risk factors set forth in the relevant private placement memorandum.

The MIS Private Fund is considered a hedge fund and such funds can use a variety of differing aggressive investment strategies, the intended result of which is the production of returns that are both greater than the overall market and less correlated with market movements than traditional equity investments.

Investing in IPO’s and SPO’s carry special risks. In the case of an IPO, no previous public market has existed for the company doing the offering, so there is no way to know ahead of time how well the newly-traded stock of that company will be viewed in the marketplace. IPO’s and SPO’s also often have a substantially larger initial volume of trading than is normal, which can be a cause for greater volatility in the stock price. With respect to IPOs or SPOs, there will always exist the possibility of a substantial loss in value in such investment if the IPO or SPO shares do not perform well following the offering. :

As discussed above, the covered call writing strategy is, at its core, a hedging strategy which looks to lessen the risks of equity ownership, the fact remains that it still represents the equity ownership of a company. While the call option proceeds may help to provide some downside protection, they do not prevent the possibility of a substantial decline in overall value, since if the stock price plummets the call proceeds received may only provide a small amount of cushion in offsetting a large loss of value in the stock.

By their nature, hedge funds are aggressive vehicles that carry the possibility of large variances of returns compared with the overall market. On occasion, those returns can be decidedly negative. Thus, with an ever-present risk of substantial loss, hedge fund investments should only be made by investors who can accept such losses.

- **Hedging Transactions:** The success of the MIS Private Fund's hedging strategy will be subject to the ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the investments in the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the Fund's hedging strategy will also be subject to the ability to continually recalculate, readjust, and execute hedges in an efficient and timely manner. While the MIS Private Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the MIS Private Fund than if it had not engaged in any such hedging transactions.
- **Leverage:** The MIS Private Fund borrow funds from brokers, banks and other lenders to finance its trading operations. The access to capital could be impaired by many factors, including market forces or regulatory changes. There could also be other factors more specific to the MIS Private Fund, such as fraud on behalf of one of its employees.
- **Short Selling:** The MIS Private Fund engages in short selling. Short selling allows the MIS Private Fund to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.
- **Liquidity of Investments:** The MIS Private Fund is anticipated to acquire thinly-traded investments that are difficult to dispose of quickly. In addition, investments that were once liquid may become illiquid, making it difficult to acquire or dispose of them at the prices quoted on the various exchanges. In that event, the MIS Private Fund's ability to respond to market movements may be impaired and the MIS Private Fund may experience adverse price movements upon liquidation of its investments.
- **Additional Fees.** The MIS Private Fund's investments in other private funds will necessitate and result in, the incurrence and payment of management fees and incentive allocations by the MIS Private Fund, from time to time, to the other private fund managers. Such management fees and incentive allocations (collectively, "Other Fees") are separate and distinct from, and will not be deducted from or offset against, the MIS Private Fund's management fee and Incentive Allocation that will be paid by the MIS Private Fund. The combination of the management fee, the Incentive Allocation, and the

Other Fees could be, in the aggregate, substantial. The Other Fees may create an incentive for the other private fund managers to select investments which are riskier or more speculative than would be the case if such arrangement were not in effect.

From time to time, MIS invests in private placements (including private funds) or other alternative investments for the MIS Private Fund. These investments will only be made when in line with the MIS Private Fund's overall investment strategy. Such investments present special risks and conflicts, as outlined above.

Item 9 - Disciplinary Information

Registered investment advisers such as MIS must disclose all material facts about any legal or disciplinary events that would be material to a client's or prospective client's evaluation of MIS, its advisory business or of the integrity of its management. MIS does not have any such legal or disciplinary events and therefore has no information to disclose with respect to this item.

Item 10 - Other Financial Industry Activities and Affiliations

MIS has a division which operates under the dba TLR Insurance Services ("TLR"), and as such is registered as an insurance agency with the Department of Insurance ("DOI") in the State of California (License #0E02016). Currently, MIS does not sell any insurance products through TLR; rather, MIS is collecting trail commissions relating to its previous sale of structured settlements. In its capacity as an insurance agency, MIS is eligible to sell insurance products or services to both investment and non-investment clients. As a matter of practice, however, this is not a business that MIS and its principal is, or intends to be, actively engaged in.

Mr. Reed acts as the Managing Member and, through a family trust, is the sole owner of MIS Partners, LLC ("MIS Partners"), the General Partner of the MIS Private Fund.

When suitable, MIS recommends that its clients invest in the MIS Private Fund. As previously mentioned, Mr. Reed is the sole owner and Managing Member of MIS Partners, the general partner of the MIS Private Fund. Consequently, because Mr. Reed will receive compensation through this entity, recommendations to invest in the MIS Private Fund are a conflict of interest which clients should be aware of. To mitigate this conflict, such recommendations will only be made to the extent that MIS reasonably believes them to be in the best interests of the client. Importantly, MIS waives any investment management fees MIS would be entitled to receive in association with client assets invested in the MIS Private Fund. As part of MIS' fiduciary duty to clients, MIS will endeavor at all times to put the interests of the clients first.

In his capacity as President of MIS and Managing Member of MIS Partners, Mr. Reed receives compensation for his respective roles which also creates a conflict of interest, due to the fact that the obligations required by the affiliate takes time away from Mr. Reed's responsibilities to perform duties required for MIS and he may be biased to spend more time on MIS Partners due to the performance-based nature of such remuneration. To mitigate this conflict, Mr. Reed devotes as much of his time as he deems necessary or appropriate to effectively manage MIS and its various investment activities.

Please see Item 12 for important information relating to MIS's trade execution practices and related conflicts of interest.

MIS will seek to resolve all conflicts of interest in good faith and on a fair and equitable basis in conformity with and in satisfaction of its duties and internal policies and procedures.

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

A. Code of Ethics Summary

MIS maintains a written Code of Ethics ("Code") in compliance with Rule 204A-1 under the Advisers Act. The Code of Ethics sets forth standards of conduct expected of MIS advisory personnel, and includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It contains written policies reasonably designed to prevent the unlawful use of material non-public information by MIS or any of its associated persons. The Code also requires that certain of MIS' personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of private placement offerings. The Code also requires supervised persons to report any violations of the Code promptly to the MIS' Chief Compliance Officer ("CCO"). Each person subject to the Code receives a copy of the Code and any amendments to it and must acknowledge in writing their agreement to comply with its terms. Annually, each Access Person must certify that he or she complied with the Code during that year.

Clients and prospective clients will be provided a copy of the Code upon request.

B. Participation or Interest in Client Transactions and Personal Trading

As mentioned in Item 10 above, from time to time, MIS recommends that certain qualifying clients purchase limited partnership or LLC interests that are sponsored by MIS affiliated persons or companies. In addition, based upon a client's stated objectives, MIS has in the past recommended, and expects to in the future to recommend, the purchase or sale of securities in which MIS principals or affiliates have also invested. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Importantly, as part of MIS' fiduciary duty to clients, MIS and its associated persons will endeavor at all times to put the interests of the clients first and at all times are required to adhere to the MIS Code of Ethics. Please refer to Item 12 below for further information on the allocation of investments.

C. Personal Trading

From time to time, MIS' employees engage in trading securities for their own accounts. MIS' Code outlines those personal trading procedures which must be followed in order to comply with Rule 204A-1 of the Advisers Act and to fulfill MIS' obligations to its clients to act in their best interest. All personal trading activities are monitored by MIS' Chief Compliance Officer. To the extent that the Chief Compliance Officer engages in personal trading, MIS has adopted policies to have another person review his personal trading activities.

MIS' Code sets forth a policy requiring MIS' employees to obtain MIS' Chief Compliance Officer's prior consent to affect any reportable securities transaction in an initial public offering or a private placement offering for their own accounts, irrespective of whether the employee is on

notice that the security in question is the subject of a recommendation to a client. MIS believes that with these guidelines in place, such reportable personal securities transactions by any of its employees can be monitored or, if necessary, prohibited.

Item12 - Brokerage Practices

A. Selection or recommendation of broker/dealers for individually managed accounts

MIS recommends that clients custody their account assets at Interactive Brokers LLC ("IB"), which is a broker-dealer registered with the Financial Industry Regulatory Authority ("FINRA") and a member of the Securities Investor Protection Corporation ("SIPC").

When performing investment management services, MIS will place transactions for client accounts through the client's appointed custodian since the custodian generally does not charge custodian fees so long as transactions for client accounts are executed through them as broker-dealer. However, MIS periodically evaluates the commissions charged and the service provided by broker-dealer custodians and compares those with other broker-dealers to evaluate whether overall best qualitative execution could be achieved by using alternative broker-dealer custodians. Other factors the Firm usually considers when evaluating its choice of broker-dealer custodian include:

- Ability to trade mutual funds and other investments that MIS determines suitable for a client's portfolio;
- Any custodial relationship between the client and the broker-dealer;
- Quality of customer service and interaction with MIS;
- Discount transaction rates; and
- Reliability and financial stability.

The broker-dealer custodian recommended by the Firm may not provide the lowest commission rate available taking into consideration factors outlined above.

B. Selection or recommendation of broker/dealers for the MIS Private Fund

For the MIS Private Fund, MIS has the discretionary authority to select the broker-dealer used in each transaction and to determine the commission rates at which transactions for the MIS Private Fund will be effected. When MIS places orders for the execution of portfolio transactions for the MIS Private Fund, transactions are allocated to brokers and dealers for execution in various markets at prices and commission rates that, based upon good faith judgment of MIS, will be in the best interest of the MIS Private Fund. In addition to using brokers as "agents" and paying commissions, MIS from time to time places transactions in securities directly from or to dealers acting as principal at prices that include markups or markdowns and also purchases from underwriters or dealers in public offerings, IPOs and SPOs at prices that include compensation to the underwriters and dealers. MIS will place a majority of transactions for the MIS Private Fund with IB for execution. IB also serves as a custodian for the Private Fund.

C. Benefits Provided by IB to MIS

MIS participates in the institutional advisor program ("Program") offered by IB. In this Program, IB offers to independent investment advisers, services which include custody of clients' securities, trade execution, clearance, and settlement of transactions. MIS receives some

benefits from IB through its participation in the Program (see additional information in Item 14 below).

The Firm recommends IB to clients for custody and brokerage services. There is no direct link between the Firm's participation in the Program and the investment advice it gives to its clients, although MIS receives economic benefits through its participation in the Program that are typically not available to IB retail investors. These benefits include the following products and services (which are provided without cost): (i) access to client statements and confirmations; (ii) research related products and tools; (iii) consulting services; (iv) access to a trading desk for placing client trades; (v) access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); (vi) the ability to have advisory fees deducted directly from client accounts; (vii) access to mutual funds with no transaction fees and to certain institutional money managers; and (viii) compliance, marketing, research, technology, and practice management products or services provided to the Firm by third party vendors without cost or at a discount. Some of the products and services made available by IB through the Program benefit the Firm, but do not benefit its client accounts. These products or services assist the Firm in managing and administering client accounts, including accounts not maintained at IB. Other services made available by IB are intended to help the Firm manage and further develop its business enterprise. The benefits received by the Firm or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to IB. As part of its fiduciary duties to clients, the Firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Firm or its related persons in and of itself creates a potential conflict of interest and is a factor in the Firm's choice of utilizing IB for custody and brokerage services. While it is not a requirement that MIS clients use IB as the custodian of their assets to be managed, IB is recommended by MIS to MIS clients. Below are important disclosures regarding the relationship and benefits received by both the MIS client and MIS. For further information regarding the services and benefits received by MIS under these custodian arrangements, please refer to Item 14 below.

Client Custody and Brokerage Costs

For MIS clients' accounts that IB maintains, IB is compensated by charging the client commissions or other fees on trades that it executes or that settle into the client's IB account. IB's commission rates applicable to MIS client accounts were negotiated, but are not subject to a commitment to maintain a certain minimum amount of clients' assets at TDA. These negotiated rates benefit MIS clients utilizing IB because the overall commission rates a client pays may be lower than they would be if MIS had not negotiated the rates

Products and Services Available to MIS from IB

IB provides MIS and the clients custodied at IB with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to IB retail customers. IB also makes available various support services. Some of those services help MIS manage or administer IB custodied clients' accounts while others help us manage and grow our business. IB's support services are generally available on an unsolicited basis and at no charge to MIS. Here is a more detailed description of IB's support services:

Services that Benefit MIS Clients. IB's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through IB include some to which MIS might not otherwise have access or that would require a significantly higher minimum initial investment by MIS

clients. IB's services described in this paragraph generally benefit MIS clients that have their account assets held at IB.

Services that Do Not Directly Benefit MIS Clients. IB also makes available to MIS other products and services that benefit the Firm but do not directly benefit MIS clients. These products and services assist MIS in managing and administering clients' accounts maintained at IB. They include investment research, both IB's own and that of third parties. MIS can use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at IB. In addition to investment research, IB also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts;
- provides pricing and other market data;
- facilitate payment of MIS fees from our clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

Services that Generally Benefit Only MIS. IB also offers other services intended to help MIS manage and further develop MIS's business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

IB can provide some of these services itself. In other cases, it will arrange for third party vendors to provide the services. IB can also discount or waive its fees for some of these services or pay all or a part of a third party's fees..

MIS's Interest in IB's Services

The availability of these services from IB benefits MIS because we do not have to produce or purchase them. The Firm does not have to pay for IB's services. MIS believes that our selection of IB as a recommended custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of IB's services and not IB's services that benefit only MIS.

MIS is not affiliated with IB. Nobody at MIS is a registered representative of IB, and neither MIS nor its personnel receive any commissions or fees from recommending the services of IB. In addition, a disparity in commission charges can exist between the commissions charged to other clients, or the commissions that might be charged at another broker dealer.

D. Best Execution

Except as otherwise specified by a client, MIS has discretion to place buy and sell orders with or through such brokers or dealers as it deems appropriate. MIS's general policy is to place client trades with their broker custodian (e.g., IB) and MIS will continue to do so as long as the Firm

believes that the broker custodian is providing the best overall deal for the client and they remain competitive in relation to executions and the cost of each transaction ("best execution").

Although MIS will strive to achieve the best execution possible for client securities transactions, this does not require the Firm to solicit competitive bids and MIS does not have an obligation to seek the lowest available commission/transaction costs. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best overall qualitative execution, taking into consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission/transaction rates, and responsiveness. Consistent with the foregoing, while MIS will seek competitive rates, it may not necessarily obtain the lowest possible commission/transaction rates for client transactions. MIS is not required to negotiate "execution only" commission/transaction rates, thus the client can be deemed to be paying for research and related services (*i.e.*, "soft dollars") provided by the broker which are included in the commission rate. To ensure that broker custodians recommended by MIS are conducting overall best qualitative execution, MIS will periodically (and no less often than annually) evaluate the trading process and broker custodians utilized. MIS's evaluation will consider the full range of brokerage services offered by the broker custodians, which usually includes, but is not limited to price, commission/transaction costs, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability.

E. Soft Dollar Practices

MIS can select a broker-dealer in recognition of the value of various research and/or brokerage services, beyond transaction execution, that such broker-dealer provides where, considering all relevant factors, it believes the broker-dealer can provide best execution. Selecting a broker-dealer in recognition of the provision of research and/or brokerage services other than transaction execution is known as paying for those services or products with "soft dollars." The amount of compensation paid to such broker-dealer can be higher than what another, equally capable broker-dealer might charge. The following discussion is intended to provide clients with certain important information regarding such practices, including the conflicts of interest that arise under soft dollar arrangements.

The receipt of such services benefits MIS, because MIS does not have to produce or pay for the research or other products or services when it obtains such products and services by using client commissions. Although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to broker-dealers in exchange for soft dollar benefits, including an incentive to select or recommend a broker-dealer based on MIS's interest in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution. Additionally, MIS has an incentive to effect more transactions than might otherwise be the case in order to obtain those benefits. The extent of any such conflict depends in large part on the nature and uses of the services and products acquired with soft dollars.

Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") recognizes the potential conflict of interest involved in this activity, but generally allows investment advisers to use client commissions to pay for certain research and brokerage products and services under certain circumstances without breaching their fiduciary duties to clients. For these purposes, "research"

means services or products used to provide lawful and appropriate assistance to MIS in making investment decisions for its clients. “Brokerage” services and products are those used to effect securities transactions for MIS clients or to assist in effecting those transactions.

Consistent with obtaining best execution, brokerage transactions can be directed to certain broker-dealers in return for investment research and brokerage products and services which assist MIS in its investment decision-making process. This can cause clients to pay commissions that are higher than those that another qualified broker-dealer might charge to effect the same transaction where MIS determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.

Research and other products and services purchased with soft dollars will generally be used to service all of MIS’s clients, but brokerage commissions paid by one client can be used to pay for research that is not used in managing that client’s portfolio, as permitted by Section 28(e). In other words, there are certain client accounts that benefit from the research services, which did not make the payment of commissions to the broker-dealer providing the services.

Brokerage services obtained with soft dollars can include, for example, quotation and communication equipment and services, other order management systems that provide trading software or provide connectivity to such software, trade analysis software, on-line pricing services, communication services relating to execution, clearing and settlement and message services used to transmit orders. Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; recommendations as to specific securities; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; and discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. Research received by MIS under such soft dollar arrangements can include both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

As stated above, MIS recommends that clients establish brokerage accounts with IB to maintain custody of clients’ assets and to effect trades for their accounts. While there is no direct link between the investment advice given to clients and MIS’s recommendation to use the custodial or brokerage services of IB, certain benefits are received by MIS due to this arrangement, as outlined above and in Item 14 below.

MIS does not have any third party soft dollar arrangements in place.

F. Directed Brokerage

If requested by a client and depending on the circumstances, MIS may accept written direction from a client regarding the use of a particular broker-dealer to execute some or all transactions for the client. In such a case, the client will negotiate terms and arrangements for the account with that broker-dealer, and MIS will not seek better execution services or prices and in some case, may not be able to “aggregate” client transactions for execution through IB with orders for other accounts managed by MIS (as described below). Also, MIS will have limited ability to ensure the broker-dealer selected by the client will provide best possible execution. As a result, the client could pay higher commissions or other transaction costs or greater spreads, or receive

less favorable net prices, on transactions for the account than would otherwise be the case. Additionally, clients should understand that a conflict of interest exists due to the potential of MIS receiving client referrals from the directed broker. To help mitigate the conflict, MIS will only accept directed brokerage arrangements that the Firm believes would be beneficial to the client requesting the arrangement. MIS also can decline a client's request to direct brokerage if, in MIS's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

G. Trade Aggregation

From time to time, MIS determines that the purchase or sale of a particular publicly traded security is appropriate for multiple client accounts, including the MIS Private Fund. In those situations, MIS will block (aggregate) sale and purchase orders with other client accounts when they are trading the same security at the same time, and when MIS believes such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. MIS also has and can include MIS employee accounts in aggregated trades, which could create a potential conflict with participating client accounts. Conflicts also can arise with aggregated trades when there is only a partial fill.

To address these conflicts, MIS has written policies and procedures regarding allocation of aggregated trades, which are designed with the goal of providing an objective and equitable method so that all participating accounts are treated fairly. Below is a summary:

Fully Executed Trades: In the case where aggregated trades are fully executed on the day of placement, participating accounts will be allocated their full shares. Where the aggregate order is executed in a series of transactions at various prices on a given day, each participating account's proportionate share of such order will reflect the average price paid or received with respect to the total order. When the trade is executed through the broker-dealer custodian, each participating account will pay their respective transaction costs.

Partially Executed Trades: When the full amount of an aggregated trade is not executed on the day of placement, the partial amount actually executed is usually allocated among the participating accounts on a pro rata basis.

There are situations in which orders for securities will not be aggregated with other orders entered at the same time for the same security. For example, when clients of MIS have directed MIS to place securities transactions through specific brokers.. The result is that commission rates for such trades may differ from, or be more than, those charged on the aggregated transactions and the execution price will be different.

Because of price volatility, occasional variations in liquidity, and differences in order execution, it also may not be possible for MIS to obtain identical trade execution for all of their respective clients. .

Investment opportunities and the purchases or sales of equity securities generally are allocated taking into consideration the differing objectives of, the capital made available for each investment situation by, and the differing tax status of MIS' clients. Because they may have different investment objectives, or due to other considerations, including, without limitation, the differing tax status and treatment of its clients, MIS and its affiliates can at any time and from

time to time take different, and even opposite, positions with respect to particular purchases or sales of securities.

H. Cross Trades

MIS does not affect any cross securities transactions for client accounts. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Should MIS decide in the future to affect agency cross-trades in client accounts, MIS will comply with the applicable provisions of the Advisers Act and update this Brochure accordingly.

There are times when MIS will purchase the same or similar securities for the MIS Private Fund at the same time as it affects transactions for other MIS clients. This creates a potential conflict of interest. To address this conflict of interest, MIS has written trade aggregation and allocation policies and procedures (see Item 12.G above).

I. Allocation of Investment Opportunities in Pre-IPOs and Private Placements

MIS, from time to time, recommends investments in pre-IPOs and Private Placements to certain MIS clients. Generally, such investments are available only to a limited number of sophisticated investors, and in most cases such investors must meet the definitions of “accredited investor” under Regulation D of the Securities Act of 1933, as amended (the “Securities Act”) or “qualified client” under the Investment Advisers Act of 1940. Additionally, both pre-IPOs and private placements are considered “limited offerings”, since they only accept a limited amount of assets for investment.

When determining which clients should receive a recommendation to invest in these limited offerings, MIS considers a number of factors, including but not limited to a client’s sophistication, risk tolerances and qualifications, investment objectives, and the amount of available assets in client accounts. MIS’s goal is to allocate in a fair and balanced manner; however, given these differing factors, the allocation of investment opportunities in pre-IPOs and private placements to MIS clients is mainly subjective and not all qualifying clients will be provided an investment opportunity.

For those clients that do receive a recommendation to invest, it is important that you read each offering or private placement memorandum prior to investing to fully understand the risks and conflicts pertaining to these investments.

Item 13 - Review of Accounts

MIS receives an electronic download of transaction, pricing and account activity from IB on a daily basis. This data is stored in a performance reporting system maintained by MIS. Each day, MIS reviews all transactional data sent by IB.

On no less than a monthly basis, all expiring covered call positions are reviewed to determine if the equity position is going to be called away, or, if not, what action should be taken going forward with respect to the continued holding of the underlying stock.

All clients receive a physical quarterly brokerage statement. Statements for all periods of time are available to clients via the IB website. On a quarterly basis, MIS will provide a detailed performance review for each individually managed client portfolio. This review will present information to the client in both a dollar and percentage formats in order to assist the client in analyzing the performance of the investments recommended to them by MIS. Part of this reporting each quarter will include a “rebalancing report”, which compares, by asset class, how much a client currently has invested versus the amount that had originally been targeted for each asset class. When current values invested differ, higher or lower, by more than an acceptable amount from the targeted values, a rebalancing trade is suggested for the client.

On a quarterly basis, MIS will provide a detailed performance review to each Investor relating to the MIS Private Fund. This review will present information to the Investor in both a dollar and percentage formats in order to assist the client in analyzing the performance of the investments recommended by MIS.

On no less than a quarterly basis, MIS will review the mutual funds owned by its clients. The purpose of this review is to determine if a given fund’s performance, investment style, management team and fee structure still make it an appropriate choice for MIS client investment dollars.

MIS offers to speak over the phone or met in person with any client or Investor, as frequently as they may desire, to discuss their portfolio/ the MIS Private Fund portfolio or MIS’ management of it. All portfolio and security reviews are performed by MIS’ President.

Item 14 - Client Referrals & Other Compensation

A. Economic Benefits Received

As discussed more fully under Item 12, MIS receives certain “soft dollar” benefits, such as investment research, from broker-dealers utilized for trade execution. Additionally, MIS receives an economic benefit from IB in the form of the support products and services IB makes available to MIS and other independent investment advisors whose clients maintain their accounts at IB. The availability of IB’s products and services to MIS is not based on MIS giving particular investment advice, such as buying particular securities for our clients. However, the receipt of such services is deemed to be the receipt of an economic benefit by MIS, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client’s interest in receiving most favorable execution. Importantly, as part of MIS’s fiduciary duty to clients, MIS will endeavor at all times to put the interests of its clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, the conflicts related to these services are disclosed by MIS to clients at the time of entering into an advisory agreement through the delivery of this Brochure.

Additionally, MIS generally recommends that clients use IB as their custodian and broker of record. While there is no direct link between the investment advice given to clients and MIS’ recommendation to use IB as their custodian, certain benefits are received by MIS due to this arrangements. IB makes available to MIS other products and services that benefit MIS but do not directly benefit its clients. Some of these other products and services assist MIS in managing and administering clients’ accounts. While as a fiduciary, MIS endeavors to act in its

clients' best interests, MIS' recommendation that clients maintain their assets in accounts at IB is based in part on the benefit to MIS of the availability of some of the products and services provided and not solely on the nature, cost or quality of custody and brokerage services provided by IB, which creates a potential conflict of interest. Please refer to Item 12 above for further details.

From time to time, MIS invests clients in Dimensional mutual funds ("DFA Funds"), which are generally available for investment only by institutional clients, clients of registered investment advisers, clients of financial institutions and a limited number of certain other investors as approved from time to time by Dimensional Fund Advisors ("Dimensional"). While MIS does not receive or share in any of the fees charged by DFA Funds, MIS does receive certain products and services from Dimensional at no cost to MIS. These include, but are not limited to, free admission to Dimensional conferences and workshops, newsletters and articles published by Dimensional, and access to a secure website that provides software that can be utilized to construct hypothetical portfolios and obtain reports based on such portfolios for use with prospects and clients. Since MIS does not have to pay for any of these products and services, it creates a potential conflict of interest as it gives MIS an incentive to recommend and/or invest clients in the DFA Funds. Importantly, as part of MIS' fiduciary duty to clients, the Firm and its employees endeavor at all times to put the interests of the clients first and will only make investments for clients that MIS believes are suitable and in the client's best interest.

B. Referral Fees Paid

MIS has an arrangement in place to pay a referral fee to an unaffiliated firm ("Referrer") that introduces MIS to potential advisory clients and investors. This arrangement is in writing and complies with the requirements of Rule 206(4)-3 of the Advisers Act.

The referral fee paid is contingent upon the client engaging MIS and is based on a percentage of the investment management fees paid to MIS by those clients. The referral fee paid is solely from the MIS investment management fee and referred clients do not pay a higher fee. The Referrer is required to provide this Disclosure Brochure and a separate disclosure statement reflecting the nature of the relationship between the Referrer and the amount of compensation that will be paid by MIS to the Referrer. The Referrer is required to obtain the client's signature acknowledging receipt of both documents.

C. Referral Fees Received

From time to time, MIS refers Weiss Accountancy Corporation ("Weiss") to MIS clients in need of an accounting firm ("Referred Client"). If the Referred Client becomes a client of Weiss, MIS receives a referral fee from Weiss. The referral fee is a percentage of the revenues earned by Weiss from the Referred Client and continues until the agreement between Weiss and the Referred Client is terminated.

The fact that MIS receives referral fees from Weiss creates an incentive for MIS to refer MIS clients to Weiss, which in turn creates a potential conflict of interest. Referred Clients should understand that they are under no obligation to engage Weiss and decisions on whether or not to engage Weiss have no bearing on the services provided to MIS clients by MIS.

Item 15 - Custody

MIS is deemed to have custody of client funds and securities because of the fee deduction authority granted by the client in the Advisory Agreement. MIS is also deemed to have custody of client funds because MIS has check signing authority over certain client bank accounts in connection with its provision of Concierge Services. For these assets, MIS obtains an annual surprise exam from an independent accounting firm in accordance with Rule 206(4)-2 of the Advisers Act.

IB offers clients of advisors the opportunity to designate their accounts as “Full Service Accounts”. Clients who elect this designation provide MIS with the authority to take certain actions with respect to their account that would ordinarily be reserved solely for the account holder. These actions include, but are not limited to, the ability to update or change account information (such as addresses and phone numbers), the ability to provide or change banking and transfer instructions with respect to outside accounts belonging to the client, and the ability to send 3rd party payments and wire transfers.

Clients are under no obligation to add this designation to their accounts, and those that do can elect to add only certain authorizations and not others. In addition, certain authorizations cause MIS to be deemed to have custody of client account assets. As of the date of this Brochure, MIS has 34 clients that have designated their accounts as “Full Service Accounts” and all such accounts are included in the annual surprise exam we receive as referenced above.

MIS and its affiliate MIS Partners, LLC are deemed to have custody by serving as the investment adviser and general partner, respectively, to the MIS Private Fund. Currently, in lieu of including in the surprise exam, the MIS Private Fund receives annual audits of its financial statements by a public accounting firm that is registered with and subject to regular inspection by the Public Company Accounting Oversight Board. MIS distributes the audited financial statements to all MIS Private Fund Investors each year within 180 days of the MIS Private Fund’s fiscal year end. Should the MIS Private Fund liquidate its pooled assets, MIS will ensure the financial statements of the MIS Private Fund are audited at that time and distributed to that fund’s Investors.

Individually managed account clients will receive account statements quarterly from the broker-dealer or other qualified custodian. Clients are urged to compare custodial account statements against statements prepared by MIS for accuracy. Minor variations can occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Investors in the MIS Private Fund will receive statements directly from MIS. Investors are urged to compare such statements against information provided in audited financial statements for accuracy.

Please refer to Item 9 of Form ADV Part 1 for details of the number of clients and amount of account assets for which MIS has been deemed with custody.

Item 16 - Investment Discretion

A. Discretionary Authority; Limitations

Generally, MIS performs its advisory services on a discretionary basis, unless otherwise agreed upon at the inception of the client relationship and memorialized in the client's Advisory Agreement. In exercising its discretionary authority, MIS has the ability to determine the type and amount of securities to be transacted and whether a client's purchase or sale should be combined (aggregated) with those of other clients and traded as a "block." Such discretion is to be exercised in a manner consistent with each client's stated investment objectives, risk tolerance, and time horizon. In addition, MIS' authority to trade securities may be limited in certain circumstances by applicable legal and regulatory requirements. Clients are permitted to impose reasonable limitations on MIS' discretionary authority, including restrictions on investing in certain securities or types of securities. Despite having such authority, it is the common practice for MIS to communicate any significant recommended changes to a client portfolio prior to taking action to effect such changes. Minor changes, such as transactions entered for the purpose of rebalancing a portfolio, or the switching from one mutual fund to another within the same asset class, are generally done without first discussing such changes with the client.

Note that certain private securities transactions are done on a non-discretionary basis and, in such cases, the client will enter into a subscription or other investment agreement directly with the issuer of the private securities.

B. Limited Power of Attorney

Unless clients specifically request in writing that MIS manage all or part of their account on a non-discretionary basis, by signing MIS' Advisory Agreement, clients authorize MIS to exercise full discretionary authority with respect to all investment transactions involving the client's account. Pursuant to such agreement, MIS is designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account which authorizes MIS to give instructions to third parties in furtherance of such authority.

Item 17 - Voting Client Securities

MIS does not vote proxies for individually managed account clients. It is the client's responsibility to vote proxies. Clients will receive proxy materials directly from the custodian. Questions about proxies may be made via the contact information on the cover page.

MIS has the authority to vote securities invested in by the MIS Private Fund. In general, MIS votes proxies in the MIS Private Fund's best economic interests. MIS has a written Proxy Voting Policy which establishes procedures for proxy voting and sets forth guidelines ("Guidelines") that identify how MIS will vote with respect to certain types of proxies, which include, among others, proxies relating to issues involving directors, auditors, executive and director compensation, capital structure, voting structure mergers and corporate restructurings, proxy contents and social responsibility.

Prior to voting a proxy on behalf of the MIS Private Fund, the person responsible for voting ("responsible voting party") will review the proxy to determine if there are any material conflicts of interest related to the proxy in question. If no material conflict is identified pursuant to Proxy Voting Policy, the responsible voting party will make a decision on how to vote the proxy. MIS

has the flexibility to abstain from a particular proxy vote when it is determined to be in the best interest of the MIS Private Fund to do so.

If a material conflict is identified, the responsible voting party will determine whether such conflict is addressed by the Guidelines, and, if so, vote that proxy in accordance with the Guidelines. Where a material conflict of interest has been identified and the matter is not covered by the Guidelines, the responsible voting party will obtain an un-conflicted recommendation from a third party proxy voting vendor.

MIS keeps a record of its proxy voting policies and procedures, proxy statements received, votes cast, internal documents created that were material to voting decisions and each client request for proxy voting records and MIS's response for a period of no less than five years from the end of MIS's fiscal year during which the last entry was made in the records.

Investors can obtain additional information regarding how MIS voted proxies and obtain a copy of MIS Proxy Voting Policy upon request.

MIS generally does not advise or act for any client with respect to bankruptcies and class actions for the securities held in a client's account.

Item 18 - Financial Information

An investment adviser must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy has occurred within the past ten years. MIS does not have any disclosure items in this section.