

Avenue 1 Advisors, LLC

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Blue Rock Avenue One

Form ADV Part 2A – Disclosure Brochure

Effective: March 23, 2020

This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Avenue 1 Advisors, LLC dba Blue Rock Avenue 1 (“Blue Rock Avenue 1” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (302) 660-3350.

Blue Rock Avenue 1 is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information through Blue Rock Avenue 1 to assist you in determining whether to retain the Advisor.

Additional information about Blue Rock Avenue 1 and its advisory persons are available on the SEC’s website at www.adviserinfo.sec.gov by searching for our firm name or by our CRD# 298465.

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Item 2 – Material Changes

Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplements")*. The Disclosure Brochure provides information about a variety of topics relating to an advisor's business practices and conflicts of interest. The Brochure Supplements provide information about advisory personnel of Blue Rock Avenue 1.

Blue Rock Avenue 1 believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Blue Rock Avenue 1 encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

Material Changes

Blue Rock Avenue 1 is a newly formed registered investment advisor. This is the initial filing of the Disclosure Brochure.

Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Blue Rock Avenue 1.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with our firm name or our CRD# 298465. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (302) 660-3350.

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Item 4 – Advisory Services

A. Firm Information

Avenue 1 Advisors, LLC dba Blue Rock Avenue 1 (“Blue Rock Avenue 1” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”), which is organized as a limited liability company (“LLC”) under the laws of the State of Delaware. Blue Rock Avenue 1 was founded in August 2018 and is owned and operated by David (Chris) Benfer (Partner and Chief Compliance Officer) and Matthew J. MacNeal (Partner). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Blue Rock Avenue 1. For questions regarding this Disclosure Brochure, please contact David (Chris) Benfer at (302) 660-3350.

The Advisor serves as a fiduciary to Clients, as defined under applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

B. Advisory Services Offered

Blue Rock Avenue 1 offers advisory services to individuals, high net worth individuals, families, trusts, estates, and businesses and retirement plans (each referred to as a “Client”). Blue Rock Avenue 1 provides a comprehensive approach to its wealth advisory services. Services are tailored to the unique needs of each Client.

Investment Management Services

Blue Rock Avenue 1 provides customized wealth management solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and planning services. Blue Rock Avenue 1 works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create an investment strategy. Blue Rock Avenue 1 customizes its investment management services for its Clients. Blue Rock Avenue 1 will implement the investment strategy with its internal management and/or the use of unaffiliated money managers or investment platforms (as described below).

Internal Investment Management – The Advisor’s investment philosophy is based primarily on modern portfolio theory. The Advisor will develop a strategic asset allocation for the Client based on the Client’s unique situation. The Advisor will then construct an investment portfolio primarily utilizing exchange-traded funds (“ETFs”). The Advisor may also incorporate open-end mutual funds, individual equity securities and/or individual fixed income securities in a Client’s portfolio. For mutual funds, the Advisor primarily selects passive managers and will seek institutional share classes when available.

Blue Rock Avenue 1 typically employs a long-term investment approach for Clients, but may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Blue Rock Avenue 1 will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Blue Rock Avenue 1 will provide investment management and related advisory services. At no time will Blue Rock Avenue 1 accept or maintain custody of a Client’s funds or securities, except for authorized deduction of the Advisor’s fees. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client Investment Advisory Agreement.

Use of Independent Managers - Blue Rock Avenue 1 may recommend to Clients that all or a portion of their investment portfolio be implemented by utilizing one or more unaffiliated money managers or investment platforms (collectively “Independent Managers”). Independent Managers may be sourced directly or accessed through an investment management platform. The Client will be required to enter into a separate agreement with the Independent Manager[s].

Blue Rock Avenue 1 serves as the Client’s primary advisor and relationship manager. However, the Independent Manager[s] will assume discretionary authority for the day-to-day investment management of those assets placed in their control. Blue Rock Avenue 1 will assist and advise the Client in establishing investment objectives for their account[s], the selection of the Independent Manager[s], and defining any restrictions on the account[s]. Blue Rock

Avenue 1 will continue to provide oversight of the Client's account[s] and ongoing monitoring of the activities of these unaffiliated parties. The Independent Manager[s] will implement the selected investment strategies based on their investment mandates. The Client may be able to impose reasonable investment restrictions on these accounts, subject to the acceptance of these third parties.

Financial Planning Services

Blue Rock Avenue 1 will typically provide to its Clients a variety of financial planning services. Such services may be included in the overall advisory services or contracted separately, based on the Client's needs and complexity of the services to be provided. Services may be provided in several areas of a Client's financial situation, depending on their goals, objectives and financial situation. Planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, distributions, personal savings, education savings, spending, insurance needs, estate planning, charitable strategies, and other areas of a Client's financial situation. Blue Rock Avenue 1 may deliver specific planning modules to the Client or a comprehensive plan, based on the needs of the Client.

In certain circumstances, Blue Rock Avenue 1 may also refer Clients to an accountant, attorney or other specialist, as appropriate for the Client's unique situation. For certain financial planning engagements, the Advisor will generally provide a written report that contains observations and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor. Financial planning services may be included in an overall wealth management engagement or provided as a separate service, pursuant to the terms of the agreement with the Client.

Retirement Plan Advisory Services

Blue Rock Avenue 1 provides advisory services on behalf of company retirement plans (each a "Plan") and the company/sponsor (the "Plan Sponsor"). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and Plan Participants. Each engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis
- Plan Participant Enrollment and Education
- Investment Policy Statement ("IPS") Design and Monitoring
- Performance Reporting
- Ongoing Investment Recommendation and Assistance
- ERISA 404(c) Assistance

These services are provided by Blue Rock Avenue 1 serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of Blue Rock Avenue 1's fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

Selection of Other Advisers Fees

Avenue 1 Advisors, LLC and their affiliated IARs, from time to time, will recommend certain Third Party Administrators and Record Keepers for ERISA plans. The Firm charges an advisory fee to the ERISA plan sponsor company that is separate and distinct from the fee the sponsor company may pay the Third Party Administrator or Record Keeper. In certain instances, the Third Party Administrator and/or Record Keeper will receive compensation for group benefit plans offered, and IARs affiliated with Avenue 1 Advisors may receive a percentage of that compensation. This relationship is fully disclosed to clients.

C. Client Account Management

Prior to engaging Blue Rock Avenue 1 to provide advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Blue Rock Avenue 1 will work with each Client to develop a custom investment strategy designed in connection with the Client's investment goals and objectives.
- Asset Allocation – Blue Rock Avenue 1 will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – Blue Rock Avenue 1 will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Blue Rock Avenue 1 will provide investment management and ongoing oversight of the Client's investment portfolio.

D. Wrap Fee Programs

Blue Rock Avenue 1 does manage or place Client assets into a wrap fee program.

E. Assets Under Management

As of December 31, 2019 Blue Rock Avenue 1 has \$205,157,136 in non-discretionary assets under management.

Item 5 – Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign one or more agreements that detail the responsibilities of Blue Rock Avenue 1 and the Client.

A. Fees for Advisory Services

Investment Advisory Services

Investment advisory fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the investment advisory agreement. Fees are based on the closing market value of the assets under management in the account[s] and the end of the quarter based on the following schedule:

Assets Under Management	Annual Fee (%)
Up to \$750,000	1.20%
Next \$750,001 to \$2,000,000)	1.00%
Next \$2,000,001 to \$3,000,000)	0.74%
Next \$3,000,001 to \$4,000,000)	0.63%
Next \$4,000,001 to \$5,000,000)	0.55%
Over \$5,000,000	0.375%

The investment advisory fee in the first month of service is prorated from the inception date of the Client's account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor. All securities held in accounts managed by Blue Rock Avenue 1 will be independently valued by the Custodian (as discussed in Item 12). Blue Rock Avenue 1 will not have the authority or responsibility to value portfolio securities.

Clients may make additions to and withdrawals from their account[s] at any time, subject to Blue Rock Avenue 1's right to terminate an account. Additions may be in cash or securities provided that Blue Rock Avenue 1 reserves the right to liquidate any transferred securities or decline to accept particular securities into a Client's account[s]. Clients may withdraw account assets on notice to Blue Rock Avenue 1, subject to the usual and customary securities settlement procedures. However, Blue Rock Avenue 1 designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. Blue Rock Avenue 1 may consult with its Clients about the options and ramifications of transferring securities. However, Clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Use of Independent Managers

For Client account[s] implemented through an Independent Manager, the Client's overall fees may include Blue Rock Avenue 1's investment advisory fee (as noted above) plus advisory fees and/or platform fees charged by the Independent Manager[s], as applicable. The Independent Manager may assume responsibility for calculating the Client's fees and deduct all fees from the Client's account[s]. In such instances, Blue Rock Avenue 1 will not charge its fee separately on those assets.

Financial Planning Services

Blue Rock Avenue 1 offers financial planning services on either an hourly basis or a fixed engagement. Hourly engagements are billed at a rate ranging from \$150 to \$500 per hour, based on the complexity of the services to be provided and the experience level of the Advisory Person. Fixed fee engagements are negotiated based on the expected number of hours to complete the engagement at the negotiated hourly rate. Fees may be negotiable at the sole discretion of the Advisor. An estimate for total hours and/or costs will be provided to the Client prior to engaging for these services.

The Advisor's fee is exclusive of, and in addition to, brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs. For certain Clients, financial planning services are included in investment advisory fee.

Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an asset-based fee that typically ranges from 0.20% to 1.00% annually. Fees are negotiable depending on the size and complexity of the Plan. Fees in the first quarter of the engagement are prorated from the effective date of the Agreement to the end of the first quarter.

Selection of Other Advisers Fees

The Advisor may direct clients to third-party investment advisers. The Advisor's will be compensated via a fee share from the advisers to which it directs those clients. The fees shared are negotiable and will not exceed any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected.

B. Fee Billing

Investment Advisory Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The amount due is calculated by applying the quarterly rate (annual rate divided by four) to the assets under management at the end of the quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. Clients provide written authorization permitting Blue Rock Avenue 1 to be paid directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

Use of Independent Managers

Client account[s] implemented through Independent Manager[s] will be billed in accordance to the separate agreement[s] with the respective parties. These parties will typically add Blue Rock Avenue 1's investment advisory fee and deduct the overall fee from the Client's account[s].

Financial Planning Services

Fees for hourly and fixed fee financial planning engagements may be invoiced up to 50% upon execution of the financial planning agreement with the balance due upon completion of the engagement deliverable[s]. Certain Clients may have their planning fees included with their overall investment advisory fees. The Advisor does not collect advance fees of \$1,200 or more for any services that will be completed six (6) months or more in advance.

Retirement Plan Advisory Services

Fees are typically deducted from the assets of the Plan at the end of each calendar quarter, based on the market value in each Plan Participant's account at the end of the quarter. Fees may also be directly invoiced to the Plan Sponsor upon request.

C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than Blue Rock Avenue 1, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees charged by the Custodian. The fees charged by Blue Rock Avenue 1 are separate and distinct from these custody and execution fees.

In addition, all fees paid to Blue Rock Avenue 1 for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. The Client should review both the fees charged by the fund[s] and the fees charged by Blue Rock Avenue 1 to fully understand the total fees to be paid.

D. Advance Payment of Fees and Termination

Investment Advisory Services

Blue Rock Avenue 1 is compensated for its investment advisory services at the end of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. Upon termination, the Client shall be responsible for investment advisory fees up to and including the effective date of termination. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior consent.

Use of Independent Managers

In the event that a Client should wish to terminate their relationship with an Independent Manager, the terms for termination will be set forth in the respective agreements between the Client and those third parties. Blue Rock Avenue 1 will assist the Client with the termination and transition as appropriate.

Financial Planning Services

Blue Rock Avenue 1 may be partially compensated for its financial planning services in advance the engagement (Please see Item 5.A above.). Either party may terminate the financial planning agreement, at any time, by providing advance written notice to the other party. Upon termination, the Client shall be responsible for planning fees based on the hours incurred or in the event of a fixed fee, the percentage of the engagement completed. Upon termination, the Advisor will refund any unearned, prepaid fees. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

Retirement Plan Advisory Services

Blue Rock Avenue 1 is compensated for its retirement plan advisory services at the end of the quarter in which services are rendered. Either party may request to terminate their services with Blue Rock Avenue 1, at any time, by providing advance written notice to the other party. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. The Client's retirement plan services agreement with the Advisor is non-transferable without the Client's written approval.

E. Compensation for Sales of Securities

Blue Rock Avenue 1 does not buy or sell securities to generate commissions and does not receive a portion of the fees paid by Clients for securities transactions. Advisory Persons of Blue Rock Avenue 1 may also be registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). In one's separate capacity as a registered representative of PKS, an Advisory Person may implement securities transactions under PKS and not through Blue Rock Avenue 1. In such instances, an Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by an Advisory Person in one's capacity as a registered representative is separate from and in addition to Blue Rock Avenue 1's advisory fees. Please see Item 10.

However, Advisory Persons may also be licensed as independent insurance professionals. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to Clients. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on the Client's needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with the Advisor.

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

Blue Rock Avenue 1 does not charge performance-based fees for its investment advisory services. The fees charged by Blue Rock Avenue 1 are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

Blue Rock Avenue 1 does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

Item 7 – Types of Clients

Blue Rock Avenue 1 offers advisory services to individuals, high net worth individuals, families, trusts, estates, and businesses and retirement plans. Blue Rock Avenue 1 generally does not impose a minimum size for establishing a relationship. However, certain investments and strategies may require certain minimums for effective implementation.

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

A. Methods of Analysis

Blue Rock Avenue 1 primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from Blue Rock Avenue 1 is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, Blue Rock Avenue 1 generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Blue Rock Avenue 1 will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Blue Rock Avenue 1 may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

B. Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Blue Rock Avenue 1 will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Below are some additional risks that Clients should understand. **Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

Item 9 – Disciplinary Information

There are no legal, regulatory or disciplinary events involving Blue Rock Avenue 1 or its owners. Blue Rock Avenue 1 values the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov by searching with our firm name or our CRD# 298465.

Item 10 – Other Financial Industry Activities and Affiliations

Broker-Dealer Affiliation

As noted in Item 5.E. above, Advisory Persons of Blue Rock Avenue 1 are also registered representatives of PKS. In an Advisory Person's separate capacity as a registered representative, the Advisory Person will typically receive commissions for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any recommendation provided by an Advisory Person of Blue Rock Avenue 1. Neither Blue Rock Avenue 1 nor an Advisory Person will earn ongoing investment advisory fees in connection with any services implemented in the Advisory Person's separate capacity as a registered representative. Under supervision by PKS, PKS may have access to certain confidential information of the Client, including, but not limited to financial information, investment objectives, transactions and holdings information.

Insurance Agency Affiliations

As noted in Item 5.E. above, Advisory Persons of Blue Rock Avenue 1 may serve as licensed insurance professionals. Implementations of insurance recommendations are separate and apart from an Advisory Person's role with Blue Rock Avenue 1. As insurance professionals, Advisory Persons may receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending insurance products. Clients are under no obligation to implement any recommendations made the Advisor or by its Advisory Persons.

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

A. Code of Ethics

Blue Rock Avenue 1 has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with Blue Rock Avenue 1 (our "Supervised Persons"). The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Blue Rock Avenue 1 and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Blue Rock Avenue 1 associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address ethics and conflicts of interest. To request a copy, please contact us at (302) 660-3350.

B. Personal Trading with Material Interest

Blue Rock Avenue 1 allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Blue Rock Avenue 1 does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Blue Rock Avenue 1 does not have a material interest in any securities traded in Client accounts.

C. Personal Trading in Same Securities as Clients

Blue Rock Avenue 1 allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, employees of Blue Rock Avenue 1 may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Blue Rock Avenue 1 requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO") or delegate. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

D. Personal Trading at Same Time as Client

While Blue Rock Avenue 1 allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. At no time will any associated person of Blue Rock Avenue 1, transact in any security to the detriment of any Client.

Item 12 – Brokerage Practices

A. Recommendation of Custodian[s]

Blue Rock Avenue 1 does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer or custodian (herein the "Custodian") to safeguard Client assets and authorize Blue Rock Avenue 1 to direct trades to the Custodian as agreed in the investment advisory agreement. Further, Blue Rock Avenue 1 does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where Blue Rock Avenue 1 does not exercise discretion over the selection of the Custodian, it may recommend the Custodian[s] to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by Blue Rock Avenue 1. As its Advisory Persons are also registered representatives of PKS, Blue Rock Avenue 1 and its Advisory Persons are limited in the Custodians in which they can recommend to Clients. Blue Rock Avenue 1 will generally recommend that Clients establish their account[s] at TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC ("TD Ameritrade") and/or SEI Private Trust Company ("SEI"). TD Ameritrade and/or SEI serve as the Client's "qualified custodian" (herein collectively referred to as the "Custodians").

Blue Rock Avenue 1 maintains an institutional relationships with the Custodians, whereby the Advisor receives economic benefits from the Custodians (Please see Item 14 below.). The Custodians may enable the Advisor to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by the Custodians may be higher or lower than those charged by other financial institutions. Following are additional details regarding the brokerage practices of the Advisor:

- 1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the broker-dealer/custodian in exchange for research and other services. Blue Rock Avenue 1 does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian, but does receive economic benefits from the Custodians. Please see Item 14 below.
- 2. Brokerage Referrals** - Blue Rock Avenue 1 does not receive any compensation from any third party in connection with the recommendation for establishing an account.
- 3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where Blue Rock Avenue 1 will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). Blue Rock Avenue 1 will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

B. Aggregating and Allocating Trades

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required. Blue Rock Avenue 1 will execute its transactions through the Custodian, unless otherwise instructed in writing by the Client. Blue Rock Avenue 1 may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

Item 13 – Review of Accounts

A. Frequency of Reviews

Securities in Client accounts are monitored on a regular and continuous basis by Principals of the Advisor and periodically by the CCO. The CCO also has oversight of investment advisory processes. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client. Clients are offered an annual financial plan, subject to scope of their agreement with the Advisor.

B. Causes for Reviews

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify Blue Rock Avenue 1 if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

C. Review Reports

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

Item 14 – Client Referrals and Other Compensation

A. Compensation Received by Blue Rock Avenue 1

Blue Rock Avenue 1 does not receive securities commissions from product sponsors, broker-dealers or any un-related third party. Blue Rock Avenue 1 may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Blue Rock Avenue 1 may receive referrals of new Clients from a third-party.

The firm may host or attend mutual fund company or other company educational programs, events, or conferences where expenses are paid for -in part or in whole- by mutual funds or other third parties whose products and services Avenue 1 Advisors utilizes in managing client accounts. This represents a conflict of interest to use and promote the products and service of these third parties. To address this conflict, Avenue 1 Advisors will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

Participation in Institutional Advisor Platform (TD Ameritrade)

As disclosed under Item 12, above, the Advisor participates in TD Ameritrade's institutional customer program and the Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its Clients, although the Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by the Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Advisor but may not benefit its Client accounts. These products or services may assist the Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Advisor manage and further develop its business enterprise. The benefits received by the Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, the Advisor 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 Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

Additional Services

Advisor also receives from TD Ameritrade certain economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional services include Advent Software, Inc. Outstanding invoices up to \$15,000 in a twelve-month period. TD Ameritrade provides the Additional services to Advisor in its sole discretion and its own expense, and Advisors does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the additional services.

Advisor's receipt of Additional Services raises potential conflicts of interest. In providing Additional Service to Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Service Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain Additional Services from TD Ameritrade, advisors may an incentive to recommend to its clients that the assets under management by advisor be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. Advisor's receipt of Additional Services does not diminish its duty to act in the best interest of its clients, including to seek best execution of trades for client accounts.

Participation in Institutional Advisor Platform (SEI)

Avenue 1 has also established an institutional relationship with SEI to assist the Advisor in managing certain Client account[s]. Access to the the SEI platform is provided at no charge to the Advisor. The Advisor receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at SEI. The software and related systems support may benefit the Advisor, but not its Clients directly. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a Custodian creates a potential conflict of interest since these benefits may influence the Advisor's recommendation of this Custodian over one that does not furnish similar software, systems support, or services.

B. Client Referrals from Solicitors

The Advisor does not engage paid solicitors.

Item 15 – Custody

Blue Rock Avenue 1 does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fee. All Clients must place their assets with a "qualified custodian". Clients are required to engage the Custodian to retain their funds and securities and direct Blue Rock Avenue 1 to utilize the Custodian for the Client's security transactions. Blue Rock Avenue 1 encourages Clients to review statements provided by the Custodian. For more information about custodians and brokerage practices, see "Item 12 - Brokerage Practices".

Item 16 – Investment Discretion

Blue Rock Avenue 1 generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Blue Rock Avenue 1. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Blue Rock Avenue 1 will be in accordance with each Client's investment objectives and goals. For Clients with account[s] established at an Independent Manager, those account[s] will also be managed by those parties on a discretionary basis.

Item 17 – Voting Client Securities

Blue Rock Avenue 1 does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

Item 18 – Financial Information

Neither Blue Rock Avenue 1, nor its management, have any adverse financial situations that would reasonably impair the ability of Blue Rock Avenue 1 to meet all obligations to its Clients. Neither Blue Rock Avenue 1, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Blue Rock Avenue 1 is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.