

**Part 2A of Form ADV: Firm Brochure**

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This Brochure provides information about the qualifications and business practices of Polaris Greystone Financial Group, LLC (referred to in this Brochure as the “**Adviser**,” “**Polaris Greystone**,” “**us**,” “**we**,” or “**our**”). If you have any questions about the contents of this Brochure, please contact us by telephone at (415) 263-5600 or by email at [jpowell@polarisgreystone.com](mailto:jpowell@polarisgreystone.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority.

Additional information about Polaris Greystone Financial Group, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration of an investment adviser with the SEC or with any state securities authority does not imply any level of skill or training.

## **ITEM 2 MATERIAL CHANGES**

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This section describes material changes to the Adviser's Brochure since its most recent update in February 2020.

There have been no material changes since our most recent annual update.

A complete copy of our current Brochure is available free of charge by contacting us at (800) 268-9046 or by visiting our website at [www.polarisgreystone.com/form-adv/](http://www.polarisgreystone.com/form-adv/).

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## ITEM 4     **ADVISORY BUSINESS**

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### **A.     General Description of Advisory Firm**

Polaris Greystone Financial Group, LLC (referred to in this Brochure as the “**Adviser**,” “**Polaris Greystone**,” “**us**,” “**we**,” or “**our**”), a limited liability company formed under the laws of the State of Delaware, was formed on June 9, 2011 as Polaris Wealth Advisers, LLC. The Adviser’s principal place of business is in San Rafael, California. The Adviser is currently principally owned by Polaris Equity Management, Inc., whose sole shareholder is Jeffrey J. Powell, and Moss Equity Management, LLC, whose sole member is Todd R. Moss.

### **B.     Description of Advisory Services (including any specializations)**

The Adviser provides wealth management services to its clients. Our offering includes and integrates investment management (both discretionary and non-discretionary) and financial planning.

#### Financial Planning

We offer general financial planning and consultative services as an integral part of our management services described below. Financial planning will typically involve developing a plan to use a variety of advisory services to manage the client’s financial resources based upon an analysis of such client individual needs. Financial planning simplifies the client’s situation and helps determine financial alternatives by: (1) defining and narrowing such client’s objectives and investment options; (2) identifying the areas of greatest concern; (3) creating a unique picture of such client’s overall financial situation, and (4) by providing an effective way for us to address each client’s unique financial needs and objectives.

We utilize in-depth personal meetings with clients, and their professional advisors if required, to determine the client’s investment goals and objectives. These services are rendered in accordance with personal circumstances as determined in these meetings, and will generally include the client’s current financial situation, age, family position, level of investment experience, risk tolerance, earning capacity, tax situation and goals and objectives.

Our financial planning and consulting services include, but are not limited, to:

- General Financial Planning
- Educational Fund Planning
- Retirement Planning
- Estate Planning
- Corporate Retirement Planning
- Investment Planning
- Individual Tax Planning
- Risk Management
- Business Planning
- Business Succession Planning

We may also use financial planning software that incorporates actual historical data for specific asset classification to determine a historical, statistical analysis of your current portfolio. A client questionnaire is utilized to gather information prior to any recommendation of management services. Once we review and analyze the information you provide to us, we will deliver a written plan to the client, should the client desire one, that is designed to help the client achieve his or her stated financial goals and objectives.

Financial plans are based on the client's financial situation at the time we present the plan to the client, and on the financial information the client provides to us. The client must promptly notify us if his or her financial situation, goals, objectives, or needs change. The client is under no obligation to act on our financial planning recommendations.

If requested, as part of our financial planning/consulting services, we will introduce the client to, or utilize, various third-party service providers. Complete and full disclosure of any relationship between Polaris Greystone and third parties, including any shared fee arrangement, will be provided to the client when recommending a third party.

### Management Services

We offer specific recommendations regarding investing in Polaris Greystone's strategies as well as general recommendations in such areas as clients' overall investment mix, retirement planning, estate planning, education planning, and insurance planning. Polaris Greystone does not provide tax or legal advice or services.

Our investment management services are based upon our clients' stated objectives and risk tolerance. Clients are matched to a particular Polaris Greystone strategy. These include diversified exchange-traded fund ("**ETF**") strategies and stock strategies.

In addition to the strategies we manage, Polaris Greystone provides investment management services by allocating and reallocating assets in 529 plans, 401(k) plans, and variable annuity investments, and provides guidance regarding such allocations, consistent with the portfolio allocation chosen by the client. The investment choices available are limited by the specific offerings of each plan or product.

### *Investment Management as a 3(38) Fiduciary Manager for Qualified Plans*

We provide, on a discretionary basis, investment management services to qualified retirement plans which are subject to the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"). As part of our services to qualified plans, we will act as a fiduciary of the plan under Section 3(21)(A)(ii) and as an investment manager under Section 3(38) of ERISA. As a 3(38) investment manager, the client gives us discretionary authority to manage the plan's assets. This means the client shifts his or her fiduciary responsibility to us for the selection of the plan's investments.

For all qualified plan clients, we will review the plan's investment objectives, risk tolerance and goals with the fiduciary or we will review and amend the plan's existing investment policy statement ("**IPS**"). The review will incorporate considerations such as employee and participant demographics, nature of asset class categories, any limits or investment return objectives for the asset class categories set forth in the IPS including the designated investment alternatives. The client is able to place restrictions on the types of investments the plan invests assets in. Under our investment management agreement, we will have limited discretionary authority to manage the plan's assets in accordance with the client's investment objectives, risk tolerance and goals. We will select, monitor, remove, and replace the plan's designated investment alternatives, including a qualified default investment alternative as defined in ERISA 404(c)(5) and DOL Regulation 2550.404c5 (the "**Designated Investment Alternatives**") consistent with the IPS. The designated investment alternatives will comprise the plan's core investment menu. As a 3(38) investment manager, we will retain full discretionary authority to make changes to the designated investment alternatives without prior consultation with the client. We continually monitor the performance of all investment options.

If elected by the plan fiduciary, we may offer investment advice (“**Advice Services**”) to plan participants as an additional service under our agreement, subject to the terms and conditions set forth in the Participant Advice Supplement. Advice Services will be available to plan participants in two ways: (a) by telephone service and (b) in person. Our representatives will gather information concerning plan participant’s time horizon, risk tolerance, and investment goals. Our representatives will review the information provided and invest, on a discretionary basis, the participant’s account in accordance with his or her objectives. Advice Services are provided only to those participants who elect to meet with our representatives and accept our services.

From time to time, Polaris Greystone may enter into sub-advisory agreements with other registered investment advisers. Such sub-advisory agreements will normally be established so that Polaris Greystone can provide investment management services to another adviser’s clients. Under these arrangements, Polaris Greystone will act as the sub-adviser. Polaris Greystone will offer the same selection of investment strategies to advisers as is offered to its own clients. The adviser will determine the suitability of Polaris Greystone’s strategies for its clients. Polaris Greystone will have full discretion to manage the adviser’s clients’ accounts. When such sub-advisory agreements are made, the sub-advisory arrangement will be disclosed by the adviser to its clients by delivery of the Form ADV Part 2A for the adviser and for Polaris Greystone.

#### *Alternative Investment Services*

For qualified investors for which an alternative investment is a suitable investment, Polaris Greystone will recommend investment in one or more alternative investment vehicles. Alternative investment vehicles are intended for financially sophisticated investors who are “Accredited Investors” within the meaning of Rule 501 of Regulation D under the Securities Act of 1933, as amended. To invest in an alternative investment vehicle, you are required to meet strict suitability criteria with regards to your net worth, liquid net worth, income, and other applicable requirements. If we recommend an investment in an alternative investment, we will provide the investor with the private placement memorandum (the “**PPM**”) describing, in detail, the additional risk and expenses associated with the investment. We strongly urge potential investors to read thoroughly the PPM including the surrender provisions and to consult with their own tax advisors with respect to the federal tax consequences associated with the investment.

We pay certain of our employees for new business which increases the employee’s total compensation. A portion of the compensation we pay to our sales employees is based upon a percentage of new assets brought under our services. See additional disclosures regarding our employees under Item 14.B.

Any recommendation to invest in an alternative investment is done so on a non-discretionary basis. This means that even if we recommend an alternative investment, you are not required to make such investment and any alternative investment will only be made upon your execution of subscription or other documents admitting you as an investor.

In addition to alternative investment vehicles managed by unaffiliated firms, Polaris Greystone provides discretionary investment management services to a flexible premium deferred variable annuity policy (the “**Policy**”) issued by Lombard International Life Assurance Company (“**Lombard**”). The Policy is not suitable for all persons. The Policy provides for the accumulation of capital on a tax-deferred basis for intermediate and long-term purposes (although there is no guarantee that the intended tax deferral will be obtained). Please see the disclosures under Item 5, Item 7, and Item 8 for additional information regarding our alternative investment services.

### C. Availability of Tailored Services for Individual Clients

The Adviser will provide advice to client accounts based on each client's specific wealth management and financial planning goals, investment objectives, and strategies. The Adviser will also tailor its advisory services by adhering to the investment restrictions imposed by clients.

The Adviser's authority is subject to conditions imposed by the client, examples of which include where: 1) the client restricts or prohibits transactions in securities of a specific industry, and/or 2) the client directs that transactions be effected through specific brokers and dealers. The latter restriction may be conditioned by the client on the broker or dealer being competitive as to price and execution for each transaction, or offering a specified level of commission discount or may be subject to varying degrees of restrictions such as an instruction to utilize the broker or dealer: a) whether or not competitive, and b) where the specified levels of commission discounts are less favorable than might otherwise be obtained by the Adviser.

### D. Wrap Fee Programs

The Adviser does not currently participate in any wrap fee programs.

### E. Client Assets under Management

As of December 31, 2019, the Adviser had approximately \$1,954,290,101 in regulatory assets under management. As of that date, the Adviser managed approximately \$1,876,246,149 on a discretionary basis and approximately \$78,043,952 on a non-discretionary basis.

## ITEM 5 FEES AND COMPENSATION

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### A. Advisory Fees and Compensation

The Adviser will charge each client an investment management fee (the "**Management Fee**") based on the value of the client's assets under management, generally in accordance with one of the following schedules.

Account Value (Retail)	Annual Management Fee Rate
The first \$500,000	1.500%
The next \$500,000	1.250%
The next \$4,000,000	1.000%
The next \$5,000,000	0.900%
The next \$10,000,000	0.800%
Amounts over \$20,000,000	0.700%



<b>Account Value (Institutional)</b>	<b>Annual Management Fee Rate</b>
\$0 to \$499,999	1.250%
\$500,000 to \$999,999	1.150%
\$1,000,000 to \$2,499,999	1.000%
\$2,500,000 to \$4,999,999	0.900%
\$5,000,000 to \$9,999,999	0.800%
\$10,000,000 or greater	0.700%

The above fee schedules will apply to both discretionary and non-discretionary advisory accounts.

Management Fees are negotiable at the sole and absolute discretion of the Adviser.

For existing accounts, Management Fees will be billed at the beginning of each calendar quarter, in advance, based on the total market value of the assets in the client account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) determined by us on the last trading day of the previous calendar quarter. If a new client account is established during a quarter or a client makes an addition of \$100,000 or more to its account during a quarter, the Management Fee will be calculated as of the account start date or the date of the additional contribution based on the value of the assets as of the applicable date and will be pro-rated for the number of days remaining in the quarter. This pro-rated fee will be billed and due on the first day of the next calendar quarter.

If a client withdraws assets from their account of an amount in excess of \$100,000 (the “**Withdrawn Amount**”) on any day other than the last day of a calendar quarter, the client will receive a credit for the fee paid in respect to the Withdrawn Amount pro-rated to reflect the number of days in the calendar quarter that the Withdrawn Amount was not included in the Account assets. Our Management Fee at the beginning of the next calendar quarter will be reduced for the pro-rated refund.

In addition to our Management Fees, we charge a reporting fee of \$10.50 per quarter per account. For clients that elect to have our reports mailed to them, we will also charge a mailing fee of \$3.25 per quarter per household. Unless otherwise agreed to in writing, the reporting fee and applicable mailing fee, will be billed and deducted quarterly from the client account.

Polaris Greystone also offers sub-advisory services to other registered investment advisers. In return for its sub-advisory services, Polaris Greystone will receive a portion of the advisory fees paid to the adviser. The fee schedules may vary by adviser. Polaris Greystone will maintain executed agreements for these arrangements on file.

#### *Alternative Investment Services Fees*

Our services for alternative investments include ongoing due diligence of the investments and their sponsors, facilitating capital call payments, reporting on the investment, and providing ongoing financial advice to you on the investment of any distributions or liquidation of the alternative investment. Our fee will be charged at 1.00% per year billed quarterly in advance by the alternative investment. We also

charge a reporting fee of \$10.50 per quarter per Account. If you have chosen to have our reports mailed to you, we will also charge a mailing fee of \$3.25 per quarter per household. In addition to our fees, investors will pay various fees charged directly by the alternative investment. Investors should review the PPM to understand all of the fees charged by the alternative investment.

## **B. Payment of Fees**

Generally, clients authorize us under our agreement to deduct our Management Fee quarterly from their account by instructing the client's custodian. In certain limited circumstances, clients have the option to also pay by check upon receipt of a billing invoice.

### *Alternative Investment Services Fees*

To the extent possible, our fee will be charged against distributions to you from the alternative investment. These fees are also automatically deducted from any distribution. If the distributions are insufficient to cover our fee, we will accrue our fee until the distribution is sufficient.

## **C. Other Fees and Expenses**

In addition to paying Management Fees, client accounts will also be subject to other investment expenses such as the fees and expenses charged by the custodian and the broker-dealer (which may be based on transactions in your account or based on assets in your account). We generally recommend that accounts with low trading volume pay the broker-dealer a commission per transaction. However, when the client invests in a high trading volume strategy, we recommend using the asset-based fee program. The fee charged under an asset-based program is based on the selected broker-dealer/custodian and the value of the client's account. The custodian discloses their fee in their account opening paperwork. In addition, client accounts are subject to interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees (including, investment advisory and other fees charged by investment advisers with, or funds in, which the client's account invests) associated with products or services that may be necessary or incidental to such investments or accounts. Client assets may be invested in mutual funds, ETFs, or other registered investment companies. In these cases, the client will bear its pro rata share of the investment management fee and other fees of the fund, which are in addition to the investment Management Fee paid to the Adviser.

All fees paid to the Adviser for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each mutual fund's and ETF's prospectus and potentially include a management fee, distribution fee (*i.e.*, Rule 12b-1 fee), sales charge and other fund expenses. A client is able to invest in a mutual fund or an ETF directly, without the services of the Adviser. In that case, the client would not receive the services provided by the Adviser which are intended, among other things, to assist the client in determining which mutual fund(s) or ETF(s) are most appropriate to each client's financial condition and objectives. Accordingly, each client should review both the fees charged by the mutual funds and the ETFs and the fees charged by the Adviser to fully understand the total amount of fees paid by the client and to thereby evaluate the advisory services being provided.

The Adviser generally limits its utilization of mutual funds in its investment strategies. To the extent a client's assets are invested in a mutual fund, however, the Adviser would not receive any 12b-1 fees from that mutual fund. Clients should also understand that while the Adviser does not receive 12b-1 fees, a 12b-

1 fee may still be paid to a mutual fund distributor, depending on the mutual fund. These 12b-1 fees increase overall expenses to the client.

Please refer to Item 12 in this brochure for a discussion of Polaris Greystone's brokerage practices, including factors that we consider when selecting brokers and dealers for client transactions.

#### **D. Prepayment of Fees**

Clients will be required to pay Management Fees to the Adviser quarterly in advance. Upon the termination of a client account during a calendar quarter, the Management Fee will be pro-rated for the days remaining in that calendar quarter and any prepaid, unearned fees will be refunded to the relevant client.

Our agreement may be terminated by the client at any time, for any reason, upon written notice. Termination will be effective upon receipt of notice, although transactions in process will be completed in the normal course of business. The Adviser may terminate the agreement by providing 30 calendar days' advance written notice to the client.

#### **E. Additional Compensation**

The Adviser does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sales of mutual funds.

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

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The Adviser currently does not charge performance-based fees (i.e., fees based on a share of capital gains or capital appreciation of the assets of a client).

### **ITEM 7 TYPES OF CLIENTS**

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The Adviser's clients will consist of individuals and institutions with separately managed accounts. The Adviser will generally require a minimum aggregate value of \$750,000 of assets under management. Accounts in one household may be combined to meet this minimum. The Adviser is able to waive this minimum in its sole and absolute discretion. When an account size falls below the \$750,000 minimum due to market fluctuations only, the client will not be required to invest additional funds with Adviser to meet the minimum account size.

As described in Item 4 above, we also provide discretionary management services to an insurance company through a flexible premium deferred variable annuity policy.

#### *Limitation on Investments in Alternative Investment Vehicles*

If you desire to invest in an alternative investment vehicle, you must meet specific requirements with regard to minimum investment amounts and as explained under Item 4, you must qualify as an "accredited investor" as defined under Regulation D of federal securities law.

## ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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### A. Methods of Analysis and Investment Strategies

Polaris Greystone employs a top-down, quantitatively driven investment selection process that focuses on the following methods to evaluate the overall financial market, market sectors and various types of securities:

*Technical Analysis.* This can be used to identify nonrandom price patterns and trends in financial markets. We will use moving averages, support and resistance lines, stochastic statistics, relative strength, and other factors to better understand the momentum (positive or negative) of a particular market, segment of a market (sector or industry), or of a specific stock.

*Macro-Economic Analysis.* This can be used to understand how the overall economy affects the capital markets. We will assess whether the economy is in a period of growth or recession; how the economy is affecting consumer behavior; and indicators that the economy is changing directions.

*Sentiment Evaluations.* This can be used to understand the basic investor psychology. Typically, we find that it is best to follow investor sentiment until it reaches an extreme and reverses, at which point we would typically take a contrary position. When the bullish sentiment reading has risen to high levels, it has frequently coincided with an intermediate-term peak in stock prices. Conversely, when most investors have been bearish, stock prices have been typically near a bottom.

*Asset Allocation Analysis.* Our equity strategy focuses on a broad range of equity investment styles, including growth, core, and value, as well as portfolios designed to be “style-neutral”. We assess what areas of the market are in favor and adjust our allocations accordingly.

*Fundamental Research.* Also known as basic or pure research, this analysis is conducted to understand the health or valuations of the individual companies within our investment universe. We rate the companies based on a combination of their attributes.

Polaris Greystone conducts its own research and receives research from third parties.

All investing involves risk, including the possible loss of principal, and clients should be prepared to bear that loss.

### B. Material Risks (Including Significant, or Unusual Risks) Relating to Investment Strategies

*Issuer-Specific Changes.* Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security’s or instrument’s value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers typically have more limited product lines, markets, or financial resources.

*Relative Value Risk.* In the event that a perceived mispricing underlying the Adviser’s relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts will likely incur a loss.

*Frequent Trading.* An Adviser's strategy that involves frequent trading will likely result in significantly higher commissions and charges to client accounts due to increased brokerage, which will offset client profits.

### **C. Risks Associated with Types of Securities that are Primarily Recommended**

*Equity Securities.* The value of equity securities fluctuates in response to issuer, political, market, and economic developments. Fluctuations can be dramatic over the short as well as long term, and different parts of the market and different types of equity securities react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geopolitical risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

*Fixed-Income and Debt Securities.* Investment in fixed-income and debt securities such as bonds, notes and asset-backed securities, subject a client's portfolios to the risk that the value of these securities overall will decline because of rising interest rates. Similarly, portfolios that hold such securities are subject to the risk that the portfolio's income will decline because of falling interest rates. Investments in these types of securities will also be subject to the credit risk created when a debt issuer fails to pay interest and principal in a timely manner, or that negative perceptions of the issuer's ability to make such payments will cause the price of that debt to decline. Lastly, investments in debt securities will also subject the investments to the risk that the securities may will fluctuate more in price, and are less liquid than higher-rated securities because issuers of such lower-rated debt securities are not as strong financially, and are more likely to encounter financial difficulties and be more vulnerable to adverse changes in the economy.

*Exchange Traded Funds.* Because ETFs are, by definition, portfolios of securities, the Adviser believes that the unsystematic risk associated with investments in ETFs is generally very low relative to investments in ordinary securities of individual issuers. However, there are events that trigger sharp and sometimes adverse price movements in ETFs that are not related to movements of the market in general. Not limited to, but among these, are surprise dividends, changes to regular dividend amounts, announcements of rights offerings and possible surprise revisions to net asset values of the ETF. The Adviser has discretion to invest in small and/or unseasoned ETFs with small market capitalization. While smaller ETFs generally have potential for rapid growth, they often involve higher risks because they potentially lack the management experience, financial resources, product diversification, and competitive strength of larger ETFs. In addition, in many instances, the frequency and volume of their trading is substantially less than is typical of larger ETFs. As a result, the securities of smaller ETFs may be subject to wider price fluctuations.

*Mutual Funds & Variable Insurance Products.* We have discretion to invest client assets in securities of investment companies (mutual funds) and variable insurance products. These investments are made as an efficient means of implementing a client's investment strategies and/or managing uninvested cash. These other mutual funds and variable insurance products are managed independently of a client's account and incur additional fees and/or expenses which would, therefore, be borne directly by the client's account in connection with any such investment. These investments are subject to the same risks as the underlying investment company or variable insurance product.

*Alternative Investments.* Alternative investment vehicles are speculative and involve a high degree of risk. Opportunities for withdrawal or redemption and transferability of interests are restricted, and you will not have access to capital when it is needed. For certain funds, there will not be a secondary market for your interests and none will be expected to develop. An investment should not be made unless you are

prepared to lose all or a substantial portion of your investment. As stated in Item 4 above, potential investors are strongly encouraged to read thoroughly the PPM including the risk factors and surrender provisions.

## **ITEM 9      DISCIPLINARY INFORMATION**

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Not applicable.

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

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### **A.      Broker-Dealer Registration Status**

Not applicable.

### **B.      Commodities-Related Registration Status**

Not applicable.

### **C.      Material Relationship or Arrangements with Industry Participants**

In October 2015, Polaris Wealth Advisers, LLC combined with Greystone Financial Group, Inc., and began operating as Polaris Greystone Financial Group, LLC. As part of Polaris Greystone's combination with Greystone Financial, Greystone Financial transferred its 50% ownership in Greystone Retirement Group, LLC to Polaris Greystone, making Greystone Retirement Group a related person of Polaris Greystone. Thereafter, Greystone Retirement Group began operating as Polaris Greystone Advisory Group, LLC. Polaris Greystone Advisory Group is a joint venture between Polaris Greystone and South Padre Ventures 2 LLC, with each firm owning 50%. It was formed to provide investment advisory services to trustees of qualified retirement plans and the plan's participants. Polaris Greystone Advisory Group is a federally registered investment adviser.

One of our principals, Todd Moss, is an owner of a company called Greystone Investment Group, LLC which manages a private fund called Greystone Capital II Fund LLC ("**GCII**"). The only assets in GCII are shares of Clarkston State Bank ("**CSB**") common stock. Some of the investors of GCII are also investment management clients of Polaris Greystone Financial Group. Greystone Investment Group, LLC receives compensation for acting as Manager of Greystone Capital II, LLC and such compensation is separate and apart from the fees charged by us for investment management services.

Further, Todd Moss, is a director of CSB. CSB is also a client of Polaris Greystone Financial Group because we provide investment advice to its 401(k) plan. Mr. Moss became a director of CSB after GCII purchased the shares of CSB stock. In 2017, we received a loan from CSB. Our relationship with CSB, as both a service provider to the 401(k) plan and borrower, may cause a conflict of interest. In addition, Mr. Moss's role as a member of the Board of Directors and manager of a fund which owns shares of CSB common stock may cause a further conflict of interest. These conflicts could have an effect of causing us to potentially favor CSB over our other clients. However, we mitigate these conflicts as follows:

- Mr. Moss is not involved in the negotiation of the CSB investment management agreement on either our behalf or that of CSB;
- CSB approved the loan pursuant to Regulation O. Regulation O places limits and stipulations on the credit extension that a bank is allowed to offer to its executive officers, principal shareholders, and directors;
- We do not recommend investment in the CSB shares to any of our clients;
- GCII will not acquire any additional CSB shares and the only recommendation that the manager to GCII will make is to sell the shares;
- GCII is not open to new investors and current investors are not permitted to invest more money;
- With respect to our advisory services we provide to CSB's 401(k) Plan, we have a stated policy on aggregation and allocation of securities which is described in Item 12 under "Brokerage Practices" to avoid favoring one client over another;
- In addition, our advisory fees are described in Item 5 under "Fees and Compensation" where we disclose the conditions on which we would negotiate fees which are different from our standard fees which is to avoid favoring one client over another;
- Each of the agreements with CSB (i.e., the loan agreement and investment advisory agreement) is a stand-alone agreement.

If you have any questions regarding this potential conflict of interest, please feel free to contact our Chief Compliance Officer at [jmason@polarisgreystone.com](mailto:jmason@polarisgreystone.com).

#### **D. Material Relationships or Arrangements with Industry Participants and Material Conflicts of Interest Relating to Other Investment Advisers**

As noted in Item 4 above, Polaris Greystone is currently principally owned by Polaris Equity Management, Inc., whose sole shareholder is Jeffrey J. Powell, and Moss Equity Management, LLC, whose sole member is Todd R. Moss.

As noted in Item 10.C above, Polaris Greystone owns 50% of Polaris Greystone Advisory Group, a federally registered investment adviser.

Polaris Equity Management, Inc. ("**PEM**"), a related person under common control and ownership with Polaris Greystone Financial Group, is the Manager of Polaris NMX Fund, LLC. Polaris NMX Fund, LLC is a private pooled investment vehicle which makes private equity investments. PEM receives compensation for acting as Manager of Polaris NMX Fund, LLC, and such compensation is separate and apart from the fees charged by us for investment management services. Clients of Polaris Greystone Financial Group may be solicited to invest in Polaris NMX Fund, LLC, and are hereby advised that we may have an incentive to recommend this over other investments given the affiliation between the firms and given that our associated persons have made an investment into Polaris Equity Management, Inc. and Polaris NMX Fund, LLC. Polaris NMX Fund, LLC, is offered to certain sophisticated investors only by way of private offering memorandum and other documents. Investors and prospective investors should refer to such documents for a complete description of the fees, investment objectives, risks, and other relevant information. Polaris Greystone Financial Group does not charge fees for investing in or holding an investment in the Polaris NMX Fund, LLC.

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

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### **A. Code of Ethics**

The Adviser has adopted a Code of Ethics (the “**Code**”) that obligates the Adviser and its related persons to put the interests of the Adviser’s clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of the Adviser’s personnel will be required to comply with applicable federal securities laws. Clients or prospective clients are able to obtain a copy of the Code by contacting James Mason (Chief Compliance Officer) by telephone at (415) 263-5600 or by email at [jmason@polarisgreystone.com](mailto:jmason@polarisgreystone.com). See below for further provisions of the Code as they relate to the pre-clearing and reporting of securities transactions by related persons.

Should the Adviser, in the course of its investment management and other activities (*e.g.*, board or creditor committee service), come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients, the Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and will enforce written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. The Adviser that possesses certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, will be prohibited from communicating such information to the client or using such information for the client’s benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client’s benefit, as a result of following the Adviser’s policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

### **B. Client Transactions in Securities where Adviser has a Material Financial Interest**

Not applicable.

### **C. Investing in Securities Recommended to Clients**

The Adviser and/or its Employees (as defined below) and/or Employee relatives invest in the same securities that we recommend to clients. This is viewed as presenting a potential conflict of interest.

The Adviser recognizes that the personal investment transactions of members and employees of the Adviser demand the application of a high code of ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, the Adviser believes that if investment goals are similar for clients and for members and employees of the Adviser, it is logical that there be a common ownership of some securities. However, it is the express policy of the Adviser that no Employee purchase or sell any security prior to a transaction being implemented for a client account, thereby preventing such Employee from benefiting from transactions placed on behalf of the Adviser’s advisory clients. In order to address conflicts of interest, the Adviser has adopted a set of procedures with respect to transactions effected by its officers and employees (hereafter, “**Employees**”) for their “personal accounts.”



In order to monitor compliance with its personal trading policy, the Adviser has implemented a quarterly securities transaction reporting system for all of its Employees. (For purposes of the policy, an Employee's "personal account" generally includes any account (a) in the name of the Employee, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which the Employee is a trustee or executor, or (c) which the Employee controls, including the Adviser's client accounts which the Employee controls and in which the Employee or a member of his/her household has a direct or indirect beneficial interest.) The procedures adopted by the Adviser include the following, among other things:

1. Employees may not buy or sell securities for their personal portfolio(s) where his or her decision is substantially derived, in whole or in part, by reason of his or her employment at the Adviser, unless the information is also available to the investing public on reasonable inquiry. No Employee shall prefer his or her own interest to that of clients.
2. The Adviser will generally be granted discretionary authority over clients' accounts. However, the Adviser recognizes that each client has the ability to limit, in writing, the Adviser's discretionary authority over the client's account and, in that situation, the client may decline to accept any advice given by the Adviser.
3. The Adviser requires that all Employees must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
4. Any individual not in observance of any of the above is subject to sanction, up to and including termination of employment.

From time to time, trading by the Adviser and its Employees (and certain of their relatives) in particular securities is restricted in recognition of impending investment decisions on behalf of clients. If transaction orders for a client and the Adviser (and/or its Employees and certain of their relatives) are not aggregated, the transaction orders for the Adviser (and/or its Employees and relatives) will be the last orders filled.

#### **D. Conflicts of Interest Created by Contemporaneous Trading**

See Item 11.C above.

## **ITEM 12 BROKERAGE PRACTICES**

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### **A. Factors Considered in Selecting or Recommending Broker-Dealers for Client Transactions**

The Adviser will generally seek "best execution" in light of the circumstances involved in a particular transaction. The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution and error resolution, and offering to the Adviser on-line access to computerized data regarding a client's accounts. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. It is not the Adviser's practice to negotiate "execution only" commission rates, thus a client may be deemed to be paying for research, brokerage or other services provided by a broker-dealer which are included in the commission rate.

The Adviser currently has arrangements with TD Ameritrade Institutional, Schwab Institutional, and Fidelity Clearing & Custody Solutions (“Fidelity”) whereby the Adviser would suggest to its clients that TD Ameritrade Institutional, Schwab Institutional or Fidelity serve as the broker-dealer/custodian to their accounts. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member FINRA/SIPC. TD Ameritrade is an independent SEC-registered broker-dealer. Schwab Institutional is a division of Charles Schwab & Co., Inc., member FINRA/SIPC (“Schwab”). Schwab is an independent SEC-registered broker-dealer and investment adviser. Fidelity provides clearing, custody or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, members NYSE/FINRA/SIPC. The Adviser is separate and unaffiliated with TD Ameritrade, Schwab and Fidelity and therefore is independently owned and operated. The duty of best execution is not eliminated by the foregoing arrangements the Adviser currently has with TD Ameritrade, Schwab, and Fidelity.

Some of our strategies utilize rebalancing and reconstituting, on a monthly basis. Clients invested in strategies using these high volume-trading practices will incur higher transaction fees than if they were invested in one of our other strategies. When appropriate, we recommend that the client utilize TD Ameritrade, Schwab, or Fidelity’s asset-based fee program. Under the asset-based fee program, the broker-dealer charges a fee based on the assets held in the client’s account instead of a commission for each transaction. As part of our best execution obligation, we will monitor the trading activity to determine, if over time, the costs incurred in an asset-based fee program are fair and reasonable as compared to the fee a client would pay in a transaction-based arrangement.

### *1. Research and Other Soft Dollar Benefits*

The Adviser has no formal soft dollar arrangements and does not use soft dollars to acquire any research services. The Adviser participates in the TD Ameritrade Institutional, Schwab Advisor Services and Fidelity programs for investment advisors. TD Ameritrade, Schwab, and Fidelity offer services to independently registered investment advisers which include custody of securities, trade execution, clearance, and settlement of transactions. Please see the disclosure under Item 14 below for additional information regarding TD Ameritrade.

### *2. Brokerage for Client Referrals*

Clients referred by TD Ameritrade through Adviser’s participation in the TD Ameritrade AdvisorDirect Program will generally receive brokerage and custodial services through TD Ameritrade. As described in more detail below in Item 14.B, Adviser pays TD Ameritrade a referral fee if the client maintains their account at TD Ameritrade and Adviser agrees not to solicit clients referred through the TD Ameritrade AdvisorDirect Program to transfer their brokerage accounts from TD Ameritrade. The Adviser has an incentive to select or recommend a broker-dealer based on its interests to receive client referrals rather than on the client’s interests to receive most favorable execution. To address this conflict of interest, the Adviser will seek to execute client trades through broker-dealers that refer clients to the Adviser where the Adviser believes that client trades with such broker-dealers are otherwise consistent with seeking best execution.

### *3. Directed Brokerage*

If a client account is subject to ERISA and the client directs Adviser to use a particular broker-dealer to execute securities transactions for their account, the following apply:

- the plan fiduciary retains and accepts sole responsibility for determining whether the directed brokerage arrangement is reasonable in relation to the benefits the plan receives;

- the plan fiduciary acknowledges and represents to Adviser that the directed brokerage arrangement is used solely and exclusively for the plan's and the participants' benefit; and
- the plan fiduciary acknowledges and represents to Adviser that the directed brokerage arrangement is permissible under the plan's governing documents.

In addition, the client should understand that the direction of a particular broker-dealer is a limitation on Adviser's brokerage discretionary authority. As a result:

- Adviser is not in a position to negotiate the commissions or spreads for clients;
- A disparity may occur in commission or transaction costs when compared to clients who do not direct Adviser to use a specific broker;
- Best execution for client's account and transactions may not be achieved due to higher commissions, greater spreads or less favorable prices than may be realized if Adviser had the ability to select the broker-dealer and negotiate price and commission.

In directing Adviser to use a broker-dealer for client transactions, client represents that it has evaluated the broker-dealer and confirmed to its own satisfaction that the broker-dealer will provide client with best execution.

## **B. Trade Allocation and Order Aggregation**

### **1. Trade Allocation**

In general, all accounts that participate in a block transaction will participate on a percentage allocation or other objective basis, as described below. Adjustments in the number of securities acquired for or sold by a particular account may be made in order to meet certain requirements (*e.g.*, to maintain round lots, to fill to specific percentages, or to avoid crossing certain ownership thresholds). The standard initial allocation methodologies are as follows:

- Percentage allocation is the default allocation method the Firm uses. In a percentage allocation, each client receives or achieves a specifically sized position – *e.g.*, buying or selling to result in a 1% position (or a 5% industry or sector position) based on the current market value of the client's account or that portion of the account under the particular model. If no other allocation method is selected, allocation will be effected on a percentage allocation basis.
- *Pro rata* allocation can be used in place of a percentage allocation, and will generally consist of a weighted allocation based on account size whereby each account will receive a portion of the order based on the account's current market value (measured on all assets under the Adviser's management) relative to other accounts participating in the transaction.
- Other objective allocation methodologies are permissible provided they are employed with general consistency and operate fairly (*e.g.*, doubling up on the size of positions taken for certain accounts).
- Standard allocation methods may be modified when common sense dictates that strict adherence to the usual allocation is impractical or leads to inefficient or undesirable results.

### **2. Order Aggregation**

The Adviser will frequently purchase or sell the same security for many clients contemporaneously (or near the same time) and using the same executing broker. It will be the Adviser's practice, where possible, to aggregate client orders for the purchase or sale of the same security submitted contemporaneously (or near the same time) for execution using the same executing broker. The Adviser will also aggregate in the same transaction, the same securities for accounts where the Adviser has brokerage discretion. Such aggregation enables the Adviser to seek to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. However, in cases where the client has negotiated the commission rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the client will be precluded from receiving the benefit of any possible commission discounts that might otherwise be available as a result of the aggregated trade.

As discussed in Item 12.A above, Polaris Greystone may have the client's custodian execute most trades for the client's account(s). When the client directs brokerage, the execution process may not allow for trade aggregation, and clients may receive different pricing for the same security trading on the same day. In cases where trading or investment restrictions are placed on a client's account, the Adviser is precluded from aggregating that client's transaction with others, leading to clients receiving different pricing for the same security trading on the same day. In such a case, the client will likely pay a higher commission rate and/or receive less favorable prices than clients who are able to participate in an aggregated order.

When an aggregated order is completely filled, the Adviser allocates the securities purchased or proceeds of sale based on a percentage allocation formula among the participating accounts. Adjustments or changes may be made under certain circumstances, such as to avoid odd lots or excessively small allocations. If the order at a particular broker is filled at several different prices, through multiple trades, all such participating accounts will receive the average price and pay the average commission, subject to odd lots, rounding, and market practice. If an aggregated order is only partially filled, the Adviser's procedures provide that the securities or proceeds are to be allocated in a manner deemed fair and equitable to clients. In such a case, the firm will use percentage allocation formulas to ensure equitable distribution. The Adviser and its related persons are permitted to also participate in an aggregate order.

### 3. Cross Trading Policy

Polaris Greystone does not effect cross transactions in client accounts.

### 4. Trade Error Policy

If it appears that a trade error has occurred, the Adviser will review the relevant facts and circumstances to determine an appropriate course of action. To the extent that trade errors and breaches of investment guidelines and restrictions occur, the Adviser's error correction procedure is to ensure that clients are treated fairly and, following error correction, are in the same position they would have been if the error had not occurred and in such a manner that the client incurs no loss. The Adviser will have discretion to resolve a particular error in any appropriate manner that is consistent with the above stated policy. A trade error will not benefit the Adviser in any way.

The gains and losses are reconciled according to the policy of the applicable account custodian/executing broker. If a trade error results in a loss, the Adviser will reimburse the client, unless the executing broker's policy is to absorb *de minimus* losses (e.g., under \$100). If a trade error results in a gain, the client will retain the gain unless the executing broker's policy is to donate gains to charity.

## **ITEM 13 REVIEW OF ACCOUNTS**

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## **A. Frequency and Nature of Review**

The securities in client accounts are reviewed by our Investment Committee on a periodic basis, generally no less frequently than weekly. The Investment Committee reviews the performance of our investment strategies as well as the individual positions that make up the strategy and considers due diligence regarding investment choices. Jeffrey J. Powell, Managing Partner, makes all final investment decisions. A review of individual client accounts will be conducted on at least an annual basis although generally such reviews occur on a quarterly or bi-annual basis. A re-evaluation of client wealth management or financial planning goals and objectives will be conducted annually. More frequent reviews of client accounts are potentially triggered by changes in variables such as market, political, or economic circumstances, or a change in the client's individual circumstances.

## **B. Factors Prompting a Non-Periodic Review of Accounts**

Significant market events affecting the prices of one or more securities in client accounts, changes in the wealth management or financial planning goals, investment objectives or guidelines of a particular client, or specific arrangements with particular clients potentially trigger reviews of client accounts on other than a periodic basis.

## **C. Frequency of Regular Account Report**

Each client that is a separate account will receive quarterly statements and trade confirmations from the client's broker-dealer and will receive quarterly reports from the Adviser. The report includes a summary of holdings in client's accounts and performance information. Additional information regarding our reporting and mailing fees is available under Item 5.A. above.

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

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## **A. Economic Benefits Received from Non-Clients for Providing Services to Clients**

As disclosed under Item 12 above, Adviser participates in TD Ameritrade's institutional customer program and the Adviser will generally recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between the Adviser's participation in the program and the investment advice it gives to its clients, although they receive economic benefits through 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 adviser 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 and/or services provided to the Adviser by third party vendors (i.e., the fees paid by the Adviser to these third party vendors with respect to these products and/or services would generally have been higher had they not participated in the program). TD Ameritrade may also have paid for business consulting and professional services received by the Adviser's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit the Adviser but may not benefit client accounts. These products or services assist the Adviser 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 Adviser manage its business enterprise. The benefits received by the Adviser (or its related persons) 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 Adviser 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 Adviser (or its related persons) in and of itself creates a potential conflict of interest and may indirectly influence the Adviser's choice of TD Ameritrade for custody and brokerage services.

The Adviser will also receive from TD Ameritrade, pursuant to a separate agreement ("**Additional Services Addendum**"), certain additional benefits ("**Additional Services**") that may or may not be offered to any other independent investment advisers participating in the Program. Specifically, the Additional Services will include an annual payment by TD Ameritrade to cover expenses associated with Orion, a portfolio management software provider, and Refinitiv, a third party research firm. TD Ameritrade will provide the Additional Services in its sole discretion and at its own expense, and the Adviser will not pay any fees to TD Ameritrade for the Additional Services.

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

In addition, TD Ameritrade sponsors seminars attended by its clients and may ask the Adviser to present at such seminars. With respect to the TD Ameritrade seminars in which the Adviser is a presenter, the Adviser will generally pay for all the expenses associated with such seminars (e.g., location rental fees), and TD Ameritrade will pay for any expenses it incurs relating to the seminars, including, but not limited to, costs and expenses associated notifying its clients of the seminars (e.g., mailing-related expenses).

The Adviser serves on the TD Ameritrade Institutional President's Council ("**Council**"). The Panel consists of independent investment advisors that advise TD Ameritrade Institutional ("**TDA Institutional**") on issues relevant to the independent advisor community. The Council meets in person on average 1-2 times per year and conducts periodic conference calls on an as-needed basis. At times, Council members are provided confidential information about TDA Institutional initiatives. Council members are required to sign confidentiality agreements. TD Ameritrade does not compensate Council members. However, TD Ameritrade pays or reimburses the Adviser for the travel, lodging and meal expenses the Adviser incurs in attending Council meetings. The benefits received by the Adviser or its personnel by serving on the Council do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by the Adviser or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Adviser's recommendation of TD Ameritrade for custody and brokerage services.

These arrangements with TD Ameritrade pose a conflict of interest in that they create an incentive for the Adviser to recommend to its clients the services of TD Ameritrade, which include custodial and brokerage services.

As disclosed in more detail above in Item 10: Other Financial Industry Activities and Affiliations, certain sophisticated clients of Polaris Greystone Financial Group may be solicited to invest in private pooled investment vehicles through our related person Polaris Equity Management, Inc.

## **B. Compensation to Non-Supervised Persons for Client Referrals**

### TD Ameritrade AdvisorDirect

The Adviser will receive client referrals from TD Ameritrade through participation in the TD Ameritrade AdvisorDirect Program (the “**Service**”), a referral program established by TD Ameritrade. The Service is designed to help TD Ameritrade’s brokerage customers and other investors, seeking fee-based personal investment management services or financial planning services, to find independent investment advisors to manage their assets for which TD Ameritrade provides custodial and/or brokerage services. Pursuant to the terms of participation in the Service, the Adviser will pay on-going fees to TD Ameritrade in connection with successful client referrals to it, with such fees not to exceed twenty-five percent (25%) of the advisory fees paid to the Adviser by clients referred to the Adviser as a result of its participation in the Service (the “**Referral Fees**”). The Adviser will also pay TD Ameritrade the Referral Fees on any advisory fees received by the Adviser from any of a referred client’s family members, including a spouse, child or any other immediate family member who resides with the referred client and hired the Adviser on the recommendation of such referred client. With respect to these clients, the Adviser will not charge any fees or costs higher than the Adviser’s standard fee schedule offered to other advisory clients or otherwise pass Referral Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form, which is available from the Adviser upon request.

Clients should be aware that in addition to meeting the minimum eligibility criteria for selection for participation in the Service, the Adviser may have been selected by TD Ameritrade based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, the Adviser’s clients’ accounts maintained at TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, the Adviser has an incentive to (i) recommend to clients that client assets under the Adviser’s management should be held in custody with TD Ameritrade and (ii) place transactions for client accounts with TD Ameritrade. Clients should also be aware that pursuant to the terms of its participation in the Service, the Adviser agreed not to solicit clients referred through the Service to transfer their brokerage accounts from TD Ameritrade or establish brokerage or custody accounts at other custodians other than when the Adviser’s fiduciary duties require it to recommend other broker-dealers or custodians to such clients. The Adviser’s participation in the Service does not diminish its duty to seek best execution of trades for client accounts. Participation in the Service poses a conflict of interest between the Adviser and certain of its clients in that it creates an incentive for the Adviser to recommend TD Ameritrade to provide those clients with custody and brokerage services.

### Other Third-Party Solicitors

The Adviser may from time to time also engage other solicitors to whom it pays referral fees for the referral of their clients to Polaris Greystone. In such cases, this practice will be disclosed in writing to the client, and the Adviser will comply with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended (the “**Advisers Act**”), and applicable state and federal laws.

### Employees

New business brought to the Adviser by an Employee increases the Employee’s total compensation. A portion of the compensation we pay to our sales employees is based upon a percentage of new assets brought

to our firm. If one of our sales employees refers a client to us, they will disclose to such client their affiliation with our firm at the time of the solicitation or referral. However, we do not employ individuals whose sole compensation is based upon the amount of business brought to us. Certain professionals who are our associated persons are eligible to receive a bonus based on the revenue collected. This additional compensation is paid by us out of our own assets, and is not directly paid by the client.

## **ITEM 15 CUSTODY**

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As discussed in Item 10 above, Greystone Investment Group, LLC, a related person under common control and ownership with our firm, is the Manager of Greystone Capital II, LLC. As Manager of Greystone Capital II, LLC, Greystone Investment Group, LLC has custody of the vehicle's assets. An independent accountant conducts the annual surprise exam of Greystone Capital II, LLC.

For investment advisory and management services, we directly debit your account(s) for the payment of our Management Fee. This ability to deduct our Management Fees from your accounts causes us to exercise limited custody over your funds or securities.

We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our Management Fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. You should compare our reports with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us at 800-268-9046.

## **ITEM 16 INVESTMENT DISCRETION**

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The Adviser will provide investment advisory services on a discretionary basis to clients. Please see Item 4 above for a description of limitations clients are allowed to place on the Adviser's discretionary authority.

Prior to assuming full discretion in managing a client's assets, the Adviser will enter into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary client, the Adviser will have the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) and (ii) the amount of securities to be purchased or sold for the client account. Our discretion is exercised in a manner consistent with your stated goals and objectives.

## **ITEM 17 VOTING CLIENT SECURITIES**

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Presently, the Adviser does not vote proxies for any client accounts. The client retains the right and responsibility to vote proxies. Clients will receive their proxies or other solicitations directly from their custodian. Polaris Greystone does not offer an opinion on how a client should vote any specific proxy.

## **ITEM 18 FINANCIAL INFORMATION**

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The Adviser is required in this section to provide you with certain financial information or disclosures about our financial condition.

Polaris Greystone Financial Group recently applied for and received a loan in the principal amount of \$976,000 under the Paycheck Protection Program (PPP) authorized pursuant to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The PPP is a forgivable loan available to businesses who, because of the current and continuing economic uncertainty, desire to retain and continue paying employees and so use the loan to support ongoing operations. Market volatility has and we expect will continue to adversely impact our business. In addition, state-issued “stay at home” and related orders, including work-place protocols for safely conducting business going forward, have and will continue to require significant unanticipated operating expenses to be incurred. Like thousands of small businesses who have been adversely impacted by the pandemic, we took advantage of the CARES Act’s support and obtained a forgivable PPP loan in order to meet these extraordinary operational and financial challenges. Without the PPP loan, we would have been forced to reduce our staff, which we believe could have negatively impacted client service. We intend to use the proceeds of the PPP loan to pay for payroll and other expenses specifically permitted under the PPP.

## PRIVACY POLICY

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Maintaining the confidentiality of client personal financial information is very important to the Adviser. To provide clients with superior service, the Adviser may collect several types of nonpublic personal information about its clients, including:

- Information from forms that clients may fill out and send to the Adviser in connection with a new account application for separately managed accounts (such as name, address, and social security number).
- Information a client may give the Adviser orally.
- Information about the amount clients have invested (such as initial investment and any additions to and withdrawals from a capital account).
- Information about any bank account clients may use for transfers between accounts.

The Adviser does not sell or disclose client personal information to anyone except as permitted or required by law. The Adviser may share this information with the Adviser's legal counsel as it deems appropriate and with regulators. Finally, the Adviser may disclose information about clients at the client's request (for example, by sending duplicate account statements to someone designated by the client), or as otherwise permitted or required by law.

Within the Adviser, access to information about clients is restricted to those employees who need to know the information to service client accounts. The Adviser employees are trained to follow our procedures to protect client privacy and are instructed to access information about clients only when they have a business reason to obtain it.

The Adviser reserves the right to change its privacy policy in the future, but the Adviser will not disclose client nonpublic personal information as required or permitted by law without giving the client an opportunity to instruct the Adviser not to.

### **Anti-Money Laundering Policy**

The Adviser maintains policies designed to detect and report any activities that raise suspicions of money laundering activities, and may modify these policies from time to time. In that regard, the Adviser requires prospective clients to provide such information as the Adviser deems necessary for the Adviser to comply with applicable legal or regulatory requirements, including, without limitation, anti-money laundering requirements, and the Adviser may disclose information respecting clients and investors to governmental and/or regulatory or self-regulatory authorities to the extent that the Adviser deems required by applicable law or regulation and the Adviser may file reports with such authorities as the Adviser deems required by applicable law or regulation. If required by applicable law, regulation or interpretation thereof, the Adviser may suspend all activity with respect to a client's or investor's account, including suspending the client's to withdraw funds or assets from the account pending the Adviser's receipt of instructions regarding the account from the appropriate governmental or regulatory authority.