

## Form ADV Part 2A DISCLOSURE BROCHURE



**BLACKTOWER FINANCIAL MANAGEMENT (US) LLC**

**125 Park Avenue 25th Floor  
New York, New York 10017  
USA**

Last Updated  
**September 14, 2020**

*This brochure provides information about the qualifications and business practices of Blacktower Financial Management (US) LLC. If you have any questions about the contents of this brochure, please contact us at [info@blacktowerfm.com](mailto:info@blacktowerfm.com) or 212-520-0062. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Blacktower Financial Management (US) LLC is a registered investment adviser with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. Additional information about Blacktower Financial Management (US) LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

**Item 2: Material Change**

Item Since we filed our annual amendment on 02/27/2020, we have made the following material change:

1. Updated ownership (Item 4).
2. Updated disciplinary information (Item 9).
3. Updated Fees and Compensation (Item 5).

You may request a copy of our current Brochure at any time, which will be provided to you free of charge. If you would like to request a copy of Blacktower Financial Management (US) LLC's current Disclosure Brochure, please contact the Chief Compliance Officer at 1-212-520-0062 or [michelle.jaipaul@blacktowerus.com](mailto:michelle.jaipaul@blacktowerus.com).

|                                  |
|----------------------------------|
| <b>Item 3: Table of Contents</b> |
|----------------------------------|

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

## Item 4: Advisory Business

### **A. The Firm and Principal Owners**

Blacktower Financial Management (US) LLC provides financial planning and money management services primarily to individuals and high net worth individuals. Our history in the financial services arena dates back to 1986 – where the founding Company Blacktower Financial Management Ltd was established. Following this, our international footprint commenced in 2003 when Blacktower Financial Management (International) Limited was formed to provide services to expatriates throughout the EU.

Blacktower Financial Management (US) LLC is owned by BFM Administrative Services LTD., which is wholly owned by John Westwood and Lyndsay Westwood.

### **B. Types of Services Offered**

We primarily offer investment advisory services to UK expatriates with residency in the United States of America. In addition, and, to the extent specifically requested by the client, Blacktower also provides financial planning and consulting services.

We offer the following investment programs to clients. Please see Item 8 below for additional information on the investment programs and material risks.

#### **Pension Plan Investment Services**

We primarily work with UK expatriates to transfer their existing pension scheme(s) from former employers into a self-directed retirement plan in a tax compliant structure. Currently, the structure most commonly used is a Self-Invested Personal Pension (“SIPP”), which is a regulated pension product in the United Kingdom. The assets of the structure are then invested through an investment platform (the “Investment Platform Provider”). All funds are custodied with the pension provider or the investment platform and not with Blacktower Financial Management (US) LLC.

The assets are then managed by the appointed financial advisor on a non-discretionary basis.

In addition, the Firm also provides portfolio management services to individuals who have legacy Qualified Retirement Overseas Pensions (“QROPs”)

#### **Other Solutions**

Blacktower Financial Management (US) LLC can also provide advice support on a number of ‘holistic’ financial planning needs. These can include, but are not limited to, life and critical illness cover; health insurance and regular savings plans.

#### **Financial Planning and Consulting Services**

We offer financial planning and/or consulting services (including investment and non-investment related matters, estate planning, tax planning, insurance planning, and assistance regarding major financial decisions, development of cash flow forecasts, etc.) on a stand-alone separate fee basis. Our planning and consulting fees are negotiable

depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Implementation of the recommendations is at the client's discretion and is the client's responsibility.

### **Review of Alternative Investments for Clients**

For qualified "ultra-high net worth investors", we review alternative investments that they may be considering for investment. These investments may include separate account managers, hedge funds, funds of hedge funds, commodity funds, real estate partnerships and syndications, venture capital, and private equity. We do this review and analysis on an independent basis and receive no compensation, either direct or indirect, from the managers of these investment vehicles.

### **C. Level of Services Provided to Clients**

We tailor our advisory services to the individual needs of our clients. Our portfolio executives discuss and advise clients on the types of investments and investment strategies based upon their financial situation, risk profile and financial goals. This process requires portfolio executives to collect information about clients through personal interviews and completion of client profile forms. We then place most clients in an appropriate established portfolio strategy. However, we may customize the strategies based upon the particular circumstances of the client. Clients are permitted to impose reasonable investment restrictions on investing in certain securities or types of securities.

### **D. Portfolio Management Services to Wrap Fee Programs**

We do not provide portfolio management services for wrap fee programs.

### **E. Assets Under Management & Assets Under Advisement**

As of December 31, 2019, our regulatory assets under management are \$81,702,904.

## **Item 5: Fees and Compensation**

### **A. Investment Advisory Fees**

The ongoing management fee is based on the value of the transfer policy, on the day the fee is taken and billed quarterly in arrears from the date of the policy inception. Client fees may be deducted from client accounts or billed directly to the client. The fee ranges from 0.45% to 2.0% per year based on client needs, size of the account, and any other relevant points which may affect the amount of time and research involved with the relationship.

The Adviser may charge an Upfront Fee of any amount for services provided; determined by the initial analysis of the accounts, recommendations and comparisons. This is a one-off charge to cover the hours that goes into onboarding a new client. The ongoing management fee and the upfront fee overall does not typically exceed 2% within a 12-month period.

BFM US LLC may also receive remuneration from the Investment Platform Providers for the successful introduction of business to them. Such remuneration is fully disclosed to clients in the BFM US LLCs Investment Advisory Agreement (IAA), and do not exceed 3% of the client's original investment and will not be paid from the client's account.

All fees are incorporated in the Investment Advisory Agreement under Schedule B - Schedule of Fees section (Page 14) and provided to each client individually. Client assets are held in custody at the custodian selected by the client.

#### **B. Additional Fees and Expenses**

In addition to the advisory fees described above, clients are responsible for paying all additional fees related to managing their accounts. These fees and expenses include, but are not limited to, the following, as applicable:

1. Transaction costs and other related trading costs and expenses;
2. Entry or exit fees relating to investments;
3. Custodial fees;
4. Interest;
5. All applicable taxes;
6. Wire transfer and electronic fund fees;
7. Other fees and taxes related to brokerage accounts;
8. Internal management fees and administrative expenses for UCITS disclosed in the fund prospectus;
9. UCITS redemption fees, if applicable; and
10. Other fees and expenses required by law.

We and our adviser representatives do not share in these fees. Please refer to Item 12 below for more information on our brokerage practices.

#### **C. Prepayment of Fees**

We do not collect fees in advance.

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

Performance-based fees are based on a share of the capital gains on, or the capital appreciation of, clients' assets. Neither we nor our supervised persons charge performance-based fees on client accounts.

## Item 7: Types of Clients

We primarily offer investment advisory services to UK expatriates individuals with residency in the United States of America. Although there is no minimum amount requirement, transferring the client's former pension scheme must be in the best interest of the client. We adhere to strict requirements of the HMRC and other applicable regulations in order to be compliant on all pension transfers.

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

### A. Method of Analysis and Investment Strategy

#### **Managed Fund Program:**

##### *Core Investment Strategy*

Our primary investment objective is to build diversified portfolios of professionally managed funds that will provide a balanced approach to investing in the stock, bond and alternative markets, when applicable, given the individual investor's long-term and short-term risk tolerance and return objectives.

We use fundamental analysis to build our clients' portfolios by assessing both the state of the investment markets, the state of the domestic and global economies, and the investment options available to meet investors' goals and objectives. There are numerous factors we consider when selecting a specific fund for our client portfolios such as how long a manager has been at a certain fund, the size of the fund they manage, a manager's personal investment in the fund, portfolio diversification and historical performance.

**Risk of Loss Inherent in All Investments** – Investing in securities involves risk of loss that clients should be prepared to bear. We have described below the material risks of each of our strategies.

### B. Material Risks Involved for the Investment Strategy

All of our investment strategies have risk. That risk may include the risk of loss of principal, the risk of declining income yield, or the risk of missing the investor's long-term goal.

More specifically, there are a myriad of risks that one may be exposed to when investing. While the following list is not meant to be comprehensive, it does enumerate many of the risks we are aware.

While in most cases we attempt to create a diversified portfolio of funds irrespective of the risk tolerance of the client, all securities, including mutual funds and ETFs, are subject to market, economic and business risks that may cause their value to fluctuate over time - sometimes rapidly. Generally, large cap investment funds and ETFs are less volatile than those that invest in small cap stocks, as smaller companies generally have weaker

financial stability, although they often have greater potential for growth. Bonds funds tend to exhibit lower levels of risk, or volatility, than stock based funds, but they are still subject to many of the above-mentioned risks, as well as other risks specific to bonds, including interest-rate and credit risk.

We have enumerated some of the most important specific risks associated with investment management below.

- **Active Management Risk** can be found in many forms. The active management of mutual funds introduces a form of manager risk since the underlying managers are making their own decisions about how to invest.
- **Commodity Risk** in general, we do not take on specific commodity risks, although our underlying fund managers may take on some commodity risk when they deem it appropriate. At times, we may invest in funds specifically focused on commodities and at that time we will be sensitive to commodity risk.
- **Concentration Risk** is the risk of having too many eggs in one basket. We actively try to avoid an overconcentration in any one (1) investment fund; however, client portfolios may often have lesser or greater concentrations in a particular sector or market than that found in a global benchmark.
- **Credit Risk** is the risk of a company being unable to meet its obligations. In general, this risk is inherent in bond fund portfolios. At times, investment fund managers may take positions in distressed debt which offers significant upside for a higher level of risk. We attempt to avoid direct exposure to this risk.
- **Derivatives Risk.** We do not directly invest in derivatives. However, we may invest in funds that invest in derivatives as part of their underlying strategies. This is a decision made by the underlying fund managers.
- **Equity Market Risk** is the risk that stock markets will generate negative, rather than positive, total returns. Diversification does not eliminate equity market risk or guarantee positive returns.
- **Foreign Currency Risk** is the risk that client portfolios will have exposure to non-dollar securities and that a change in the relationship between the base currency and a foreign currency causes a non-dollar denominated investment, when translated back into the base currency, to have a lower or higher value. Foreign currency risk can add to, or subtract from, overall returns. Our goal is to maintain broad diversification across the globe to limit exposure to a single non-dollar currency.
- **Sovereign Risk** is the risk that investments in companies or securities with exposure to foreign and political systems are impacted by the performance or action of governments in those countries. We will invest in investment funds with exposure to global companies that operate outside of a single country boarder. Our goal is to maintain broad global diversification to limit exposure to any one (1)



single country or political system.

- **Interest-Rate Risk** is a risk inherent in the bond markets whereby higher interest rates can cause the value of fixed income securities or funds to fall, and vice-versa. That said, higher interest rates can also contribute to higher yields in bond funds, over time. The level of interest-rate risk taken by a portfolio manager is the decision of that manager. We attempt to manage interest-rate risk at the overall portfolio level through our fund selection and weightings. As interest rates rise, investors may see the value of their bond fund decline. As interest rates fall, investors may see the value of their bond fund increase.
- **Inflation Risk** is the risk that rising inflation diminishes the value of your assets and/or investments, a risk faced by consumers and investors alike. We have the ability to attempt to mitigate the impact from inflation by investing in investment funds that may, for instance, protect current income from rising inflation.
- **Liquidity Risk** is the risk that an investor may not be able to exchange their portfolio holdings for cash on an as-needed basis. Most investment funds offer daily, weekly or monthly dealing in order to raise cash. We believe 'Liquidity' to be 'Key' to Wealth Management and as such tend to favor daily/weekly traded funds.

#### **C. Material Risks Associated with Certain Securities Investment Funds:**

**Manager risk** is the chance that poor security selection or focus on securities in a particular sector, category, or group of companies will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

**Investment style risk** is the chance that returns from the specific strategy will trail returns from the overall stock market.

**Sector risk** is the chance that significant problems will affect a particular sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors are often more extreme than fluctuations in the overall market. Mutual funds that limit their investment mandates or objectives to a specific sector are more exposed to this risk than more broadly diversified mutual funds.

**Non-diversification risk** is the chance that a fund's performance may be hurt disproportionately by the poor performance of relatively few stocks or even a single stock. Certain funds may be non-diversified, which means that they may invest a greater percentage of their assets in the securities of a small number of issuers as compared with other mutual funds.

### **Item 9: Disciplinary Information**

On June 4, 2018, the SEC filed a civil action against Bradley Hamilton. The complaint's allegations involve Mr. Hamilton's activities while employed as an Investment Advisory

Representative at DeVere USA, Inc. The complaint alleged that Mr. Hamilton defrauded clients and prospective clients in the United States by misleading them about the benefits of transferring their U.K. - based pensions into QROPS while concealing serious conflicts of interest, including the commissions he would receive. Mr. Hamilton consented to the entry of an order by the Court without admitting or denying the SEC's allegations. The Court permanently enjoined him from violating the Investment Adviser Act and ordered him to pay disgorgement of \$265,000 plus interest and a civil penalty of \$75,000.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **A. Registered Broker-Dealers**

We and our management persons are not registered and do not have an application pending to register as a broker-dealer or registered representatives of a broker-dealer.

### **B. Registered Futures Commission Merchant, Commodity Pool Operator, and Commodity Trading Advisor**

We and our management persons are not registered and do not have an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or associated persons of those entities.

### **C. Material Relationships with Related Persons and Conflicts of Interest from Relationships with Related Persons**

The principal owners of the Firm are owners of two other investment advisers which provide similar services to United Kingdom expatriates residing out of the United States. Generally, investments made on behalf of the Firm's clients and those of its affiliates are not limited investment opportunities and accordingly no material conflict exists as a result of the affiliation.

The Firm's principal owners are also part owners of a Malta-based UCITS fund ("the Malta UCITS"). The Firm will recommend to certain clients that the Malta UCITS be part of the investment portfolio advised by the Firm. As a result, the Firm has an incentive to include it in its investment recommendations as compensation, in addition to the management fees referenced in Item 5 above, will be earned by the Firm's owners. In order to mitigate that conflict, a determination of suitability of the Malta UCITS investment is made without regard to any additional compensation that will be earned by the Firm's owners. All recommended portfolios are reviewed by the CCO prior to effectuation. Such conflict is also disclosed in the investment management agreement executed by the client and the Firm.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

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

We maintain a Code of Ethics (the "Code") that describes our fiduciary duty to our clients and sets standards for business conduct. The following is a summary of the key provisions of the Code:

**Scope** - The Code covers all directors, officers, partners, employees, and any other persons who are under our supervision and control.

**Fiduciary Duties** - The Code is based on the principle that the Firm and its employees owe a fiduciary duty to our clients. Accordingly, the Firm and its employees must avoid activities, interests and relationships that might interfere or appear to interfere with making decisions in the best interests of the Firm's clients.

**Code of Conduct** - The Code contains specific topics designed to reflect our commitment to ethical conduct. These topics include compliance with legal and regulatory requirements, gifts, outside activities, entertainment and board directorships. Full details can be found in our Compliance and Sales Process Manuals.

**Code Violations** - The Code provides for appropriate sanctions for violations. Full details can be found within the Appointed Representative Agreement.

### **B. Recommending Securities in Which We Hold a Financial Interest**

Other than the disclosure regarding the Malta UCITS in Item 10.B. above, we do not recommend or buy or sell securities in which we or a related party hold a material financial interest.

### **C. Blacktower Employees Investing in the Same Securities as Clients**

We permit our employees to invest in the same funds as those held by clients. Potential conflicts arise when employees buy or sell the same security we buy or sell for clients. For instance, if employees have knowledge of pending client trades that could impact the price of a security, they could time their transactions to receive a better price than that of the clients. Our policy is, to closely monitor employee personal investing to ensure that such employees do not profit at the expense of clients.

Employees, aside from those in their status as our clients, are not permitted to participate in aggregated trades with client accounts.

## Item 12: Investment Platform Practices

### A. Criteria for Investment Platform Selection and Reasonableness of Compensation

#### **Selection of Investment Platform**

We generally recommend that clients designate either an International Life Company, Fund Platform, Discretionary Fund Manager and/or Private Bank to act as the investment platform for their assets. Clients enter agreements through the group which structured the Pension/SIPP/QROP for their pension assets. The structuring group opens the account with the Investment Platform Provider. We do not open the account for the client, although we will assist the client in doing so.

Investment fund transactions are executed by the Investment Platform Provider selected by the client.

We have chosen to recommend that clients designate an International Life Company, Fund Platform, Discretionary Fund Manager and/or Private Bank (collectively “Recommended Investment Platform Provider”) to act as Investment Platform Provider for their assets after considering a wide range of factors, including, among others:

- Financial strength, integrity and stability;
- Quality of their trading and execution services;
- Competitiveness of the fees based upon the quality of service;
- Availability of research, pricing services and other market data;
- Breadth of available investment products and,
- Responsiveness.

Regarding our Recommended Investment Platform Providers, we seek to negotiate competitive rates for our clients. However, the transaction fees charged by our Recommended Investment Platform Providers may be higher or lower than those charged by others for the same services.

#### **Products and Services Available to Us from Investment Platform Provider**

Our Recommended Investment Platform Providers provide us and our clients with services and benefits that are generally not available to their retail customers. Some of these services help us manage or administer clients’ accounts, while others help us manage and grow our business. These support services are generally, but not always, available to us whether we request them or not.

Among the services provided by our Recommended Investment Platform Providers that may **directly benefit clients** are: (i) execution and settlement services; (ii) broad range of investment products; (iii) custody of client assets; and (iv) availability of certain

investment products that are not available to retail accounts.

Certain services provided by our Recommended Investment Platform Providers may **benefit us but may not directly benefit clients**. These services may assist us in managing client accounts. They include, but are not limited to:

- Research, pricing services and other market data;
- Ability to electronically download client trades, balances and positions and input them into our portfolio record keeping systems;
- Use of trading software to facilitate trade execution and aggregate orders for multiple client accounts;
- Ability to pay our management fees directly from client accounts; and,
- Provide access to client account data, such as confirmations and statements.

Other services that are made available by our Recommended Investment Platform Providers generally **benefit only us**. These services may include, but are not limited to: (i) consulting on technology, compliance, legal and business needs; (ii) educational conferences; (iii) publications and conferences on practice management; and (iv) access to employee benefits providers, human capital consultants and insurance providers. These services may be provided by our Recommended Investment Platform Providers or by a third-party vendor. Our Recommended Investment Platform Providers may waive their fees for some of these services or pay all or part of the fees of a third-party vendor. Other benefits, such as business entertainment, may be provided to our personnel from time to time.

#### **Potential Conflicts of Interest Arising from Investment Platform Provider Arrangements**

The following potential conflicts of interest arise from our relationship with our Recommended Investment Platform Providers:

- The products and services made available to us through our Recommended Investment Platform Providers may directly benefit us to the extent that we would have to produce or pay for such products and services;
- Since our Recommended Investment Platform Providers have a minimum investment amount of assets required to receive some or all the services discussed above, we have an incentive to continue to use or expand our use of our Recommended Investment Platform Providers to benefit us rather than our client; and
- As stated in Item 5 above, we receive remuneration from Investment Platform Providers for the successful introduction of business to them. Such remuneration is fully disclosed to clients in the investment advisory agreement they execute. No additional fees are paid by clients as a result of the remuneration paid by Investment Platform Providers to the Firm.

**Other Conflicts**

In addition to the conflicts referenced above, please refer to Item 10 C. above for conflicts related to an affiliated fund owned by the Firm's principal owners.

We examine these potential conflicts of interest on an ongoing basis. We believe that our selection of our Recommended Investment Platform Providers and recommended investments is in the best interests of our clients. Our selection is primarily based upon the quality and price

of the services provided that benefit our clients and not on those services that benefit only us or remuneration we receive from the Investment Platform Providers.

**Client Directed Solutions**

If a client chooses to use an Investment Platform Provider other than one of our Recommended Investment Platform Providers, the client will negotiate terms and arrangements for their account with that provider, and the Firm will not seek better services or prices from those other providers. As a result, the client may pay additional fees, commissions or other transaction costs than would otherwise be the case.

|                                    |
|------------------------------------|
| <b>Item 13: Review of Accounts</b> |
|------------------------------------|

**A. Periodic Review of Client Accounts**

Generally, client level account reviews occur at least once a year. These reviews are conducted by the client's advisor. These reviews examine total return versus widely accepted market indices; and at the same time review the clients Attitude to Investment Risk to ensure that the Investment Strategy remains broadly in line with this.

**B. Review of Client Accounts on Other Than Periodic Basis**

Factors that may cause us to review a client's account more frequently include:

- Volatile market periods;
- Changes in client objectives; and
- Client request.

**C. Content and Frequency of Client Reports**

Clients will receive custodial statements directly from the Investment Platform Providers no less frequently than monthly. Such statements will include account balances, transaction history, and account performance.

## Item 14: Client Referrals and Other Compensation

### A. Economic Benefits from Third Parties

We receive an economic benefit from the Investment Platform Providers we recommend to clients. This benefit is in the form of products and services the Investment Platform Providers makes available to investment advisers whose clients maintain their accounts with the Investment Platform Providers. The actual products and services received that benefit us and potential conflicts of interest are fully described in Item 12 (Brokerage Practices) above.

In addition to the above, we also receive referral fees from the Investment Platform Providers that we recommend to clients. Selection of the Recommended Investment Platform Providers is made based on objective criteria without regard to any rebate or referrals we may receive. Clients do not pay any additional fees as a result of such rebates or referral fees.

### B. Compensation to Third Parties for Referrals

1. We have solicitation arrangements with unaffiliated third parties ("Solicitors") that allow the Solicitors to receive a cash referral fee for referring clients to us. The Solicitors will be paid a cash referral fee based upon a percentage of the advisory fees actually received from any client introduced by the Solicitors to us. Our payment of the fee will not result in any increase in the advisory fee paid by any client. The Solicitors are required to provide any prospective client they solicit with a written disclosure document outlining the compensation arrangement with us.
2. Cash referral fees paid to our employees are generally calculated as a percentage of the investment advisory fees, which are based on assets under management. This practice presents a conflict of interest. Advisory fees vary by product and our employees may be motivated to sell products with higher advisory fee schedules since the sale may generate a higher cash referral fee. Product selection is based on client suitability without regard to the compensation that may be earned by employees. Supervisory processes are in place to review suitability.

## Item 15: Custody

Blacktower FM (US) LLC does not hold client money and/or act as Custodian – this service is outsourced.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets.

**Item 16: Investment Discretion**

In most cases, our clients sign a non-discretionary investment management agreement with the Investment Platform Provider. Where a Discretionary Investment Management agreement is entered into - this agreement will give us the right to choose both the amount and type of investments funds to be held in our clients' accounts with consent from them. Clients may impose reasonable restrictions and investment parameters for their account(s).

**Item 17: Proxy Voting**

We do not and will not accept the proxy authority to vote securities held in client accounts. The investment management agreement clients enter into with us reflect this policy. In addition, we will not provide advice to our clients about how to vote proxies. Our clients will receive any proxies or other solicitations directly from the custodian or transfer agent. If proxies are sent to us, we will forward them on to our clients and ask the party who sent them to mail them directly to our clients in the future.

We do not determine if securities held by clients are the subject of a class action lawsuit or whether the client is eligible to participate in class action settlements or litigation, nor do we initiate or participate in litigation to recover damages on the client's behalf for injuries because of actions, misconduct, or negligence by issuers.

Clients may obtain a copy of our proxy voting policy upon request.

**Item 18: Financial Information**

We do not have any financial condition to disclose that is likely to impair our ability to meet our contractual commitments to our clients.

We have never been the subject of a bankruptcy petition.