

## **Wembley Strategic Advisory, LLC**

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**CRD Number 305692**

**September 16, 2020**

This Brochure provides information about the qualifications and business practices of Wembley Strategic Advisory, LLC ("**Wembley**" or the "**Firm**"). If you have any questions about the contents of this Brochure, please contact Sam Behboudi at (212)-495-9806 or e-mail [sam@wembleysa.com](mailto:sam@wembleysa.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("**SEC**") or by any state securities authority.

Wembley is a registered investment adviser. Registration of an Investment Adviser does not imply that Wembley or its principal possess a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an Investment Adviser provide you with information about which you determine to hire or retain an Investment Adviser.

Additional information about Wembley Strategic Advisory, LLC is also available on the SEC's website at <https://adviserinfo.sec.gov>.

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**Item 2 - Material changes**

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Since the last annual update on June 20, 2020, Wembley is making the following disclosures:

- Item 4 & 16- Wembley provides investment management services on a discretionary and non-discretionary basis;
- Item 5- Wembley can charge management fees on a fixed fee basis;
- Item 6- Wembley can charge performance-based fees for Private Investments;
- Item 8- Risk of Loss related to Private Investments;
- Item 11- Conflicts of Interest as they relate to Private Investments and to the possibility of Wembley co-investing alongside Client's in Private Investments; and
- Item 12- Updated Brokerage Practices for non-discretionary accounts.

**Item 3 - Table of contents**

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**Item 4 - Advisory Business**

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Wembley Strategic Advisory, LLC ("**Wembley**", the "**Firm**" or "**we**") is a limited liability company formed under the laws of the State of Delaware. Wembley was founded in 2019 by Sam Behboudi who is the Managing Member and owner of Wembley. The Firm registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940 (the "**Advisers Act**") in 2019. The Firm operates from a single office in New York, NY.

**Investment Management and Supervisory Services**

Pursuant to a Client's investment objectives Wembley offers discretionary and non-discretionary investment advisory services. Wembley develops integrative wealth and investment strategies for its clients and focuses on investing in equity and equity-related securities, fixed income, currencies, commodities, structured credit products, direct and indirect investments in real estate and other assets, and alternative investments. If directed by a Client and under a separate investment advisory agreement, Wembley may also identify certain investment and co-investment opportunities in other business ventures ("**Private Investments**").

Wembley typically manages client capital in separately managed accounts ("**SMA**" or "**Client Account**"), each a "**Client**" and collectively the "**Clients**" or "**Client Accounts**". A SMA is a dedicated account owned by a single Client and governed through an investment management agreement ("**IMA**") between the account owner and Wembley Strategic Advisory LLC.

Wembley's advisory services are targeted towards ultra-high net worth individuals and their families.

Wembley may not transfer the management of a Client's account to another party without the Client's express written consent.

Clients generally sign a five (5) year IMA and can terminate by providing six (6) months' notice after the third anniversary of the effective date of the IMA. However, Wembley will tailor an IMA pursuant to agreed upon terms with prospective Client's.

**Assets under Management (Regulatory Assets Under Management)**

As of July 31, 2020, Wembley has \$222,670,936 regulatory assets under management ("**RAUM**") of which \$ 199,268,223 are managed on a discretionary basis and \$23,402,713 are managed on a non-discretionary basis.

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**Item 5 - Fees and Compensation**

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**Management Fee**

Clients generally pay an annual management fee ("**Management Fee**") which will vary depending on the client; however, the Management Fee will not to exceed 2% of the net asset value ("**NAV**") of Client Account. The Management Fee is calculated on an average daily balance and is based on the NAV of the Client Account at the closing balance at the end of each quarter, adjusted for additions and withdrawals of capital pro-rated and billed quarterly in advance. For asset-based management fee calculations, the net asset value of Private Investments will be included in Client's total net asset value. Management Fees are generally assessed on the Client Account's NAV based on the valuation policy of Wembley. Alternatively, and pursuant to a Client's IMA, Wembley will charge an annual flat fee for

advisory services, regardless of Client's net asset value, payable quarterly in advance. The Client shall direct or otherwise cause the custodian to deduct and pay such Management Fee from the Client Account to Wembley within 30 days after receipt of Wembley's invoice for the relevant period. The Client may also select to pay the Management Fee separately from the custodian account. If there are insufficient assets in the Client Account to pay Wembley's Management or Performance Fees, Wembley may sell assets in the Client Account as necessary to generate sufficient cash to pay such fees.

Wembley's Management Fee includes compensation for the advisory services however Clients will be responsible for all trading commissions, expenses or charges related to (a) custodial services provided for the Client Account, (b) transactions effected for the Client Account or (c) any other service provided for the Client Account by any person other than Wembley. Any such additional fees, commissions, expenses or charges shall be borne by Client.

For Private Investments that are pursued under a separate agreement, Clients will approve due diligence expenses and be responsible for reimbursing Wembley pursuant to terms of separate agreement. expenses f

The Management Fees may vary based on the size of the Client Account, complexity of the portfolio, extent of activity in the account or other reasons agreed upon by Wembley and Client, and such terms may be outlined in an IMA or separate side letter agreement.

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

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Under a separate agreement, Wembley will source, conduct due diligence, negotiate pricing and conduct ongoing monitoring for Private Investments. Wembley will update Clients throughout the Private Investment process, and Client will approve any and all expense to be incurred by Wembley. Client has complete discretion on approving or rejecting the Private Investment. Wembley will charge performance-based fees (the "**Performance Fee**") specific to Private Investments sourced and monitored by Wembley. For each single Private Investment other than an investment in a private pooled investment vehicle, a Performance Fee of 10% of the net gain, if any, on such Private Investment will be payable upon the receipt of proceeds from such Private Investment in excess of the aggregate cost of such Private Investment. Aggregate costs shall mean the aggregate amount of (a) funds of Client used to acquire securities or other interests in the Private Investment, (b) interest or other financing costs paid with funds of Client in connection with the Private Investment, (c) initial costs paid with funds of Client or otherwise reimbursed by Client, (d) ongoing costs paid with funds of Client or otherwise reimbursed by Client, and (e) all other costs or expenses relating to the Private Investment paid with funds of Client or otherwise reimbursed by Client. The Performance Fee shall not be payable with respect to an investment in a private pooled investment vehicle (but the annual fee shall be payable). Multiple investments in a single entity or project shall be treated as a single Private Investment, even if such investments are made on different dates and reflect different types of interests in such entity or project.

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**Item 7 - Types of Clients**

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Wembley Strategic Advisory, LLC is a full-service investment advisory firm targeted at Ultra High Net Worth individuals and their families.

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

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Wembley will manage individualized portfolios for Clients based upon their personal objectives, goals and risk tolerances. The investment strategies principally employed by Wembley in exercising its investment direction over Client Accounts involves investing in

publicly traded equities and equity-like securities including options; however, subject to the investment guidelines of the IMA, Wembley may be authorized to invest in a wide-range of securities. Wembley will typically have full authority and discretion to trade such instruments as cash and money market instruments, common and preferred stocks, rights, warrants, bonds, notes, debentures, exchange traded funds, mutual funds, swaps and other derivative contracts, repurchase and reverse-repurchase agreements, and other securities of every name and nature and rights in respect thereof, (ii) to write, buy and sell options on securities, (iii) to sell short, on margin or otherwise, and to cover such short sales, and (iv) to borrow funds for the purpose of trading on margin and to execute such assignments, instruments of transfer, orders and other instruments and to enter into such agreements as may be necessary or proper in connection with the management of the Client Account.

Wembley's investment approach is a combination of top-down fundamental analysis and event-driven strategies. Wembley seeks to identify companies where value is unrealized or unappreciated by consensus investors in the market. The Firm looks to invest in situations poised for significant capital appreciation and builds Client portfolios to take advantage of these opportunities. Wembley's investment approach focuses on macro analysis of the global economies' prevailing trends and data. Once a broader sub-asset allocation decision is made, as well as a geographic allocation (based on the Client's currency requirements), the Firm will look at and analyze the relevant single securities for investment opportunities. The investment decision will revolve around a specific securities' fundamental outlook determined by the securities' balance sheet, income statement, and cash flow analysis.

Wembley aims to mitigate risk and protect investor capital both through our process and security selection. Subject to the investment guidelines of the IMA, Wembley may also use options and derivatives at the position and portfolio level where appropriate to mitigate risk and protect our Client's capital.

Wembley's investment process for the sourcing and due diligence of alternative investments will be focused on the fund managers and will involve an assessment of the following, including, but not limited to: the investment's historical track record, the fund's investment landscape (i.e., are the fund's sector and geographic focus in line with the Client's investment objectives), operational due diligence performed on the fund's auditors, back office, and accounting, an assessment of the fund's CIOs and broader investment team, as well as the management's alignment of interest and investment in the fund, an analysis of all the fund's offering materials and documentation, any opportunities for co-investments, and the fund's ability to add value to the portfolio companies, including assessing the portfolio companies' growth in value as a result of EBITDA improvement against margin improvement and increasing multiples.

At the culmination of our research and due diligence process, investment ideas that are deemed attractive are considered for inclusion in the Client Account. All discretionary investment decisions and their relative weighting in a Client's Account are determined by Sam Behboudi

### **Private Investments**

Wembley seeks to invest opportunistically in quality assets. Wembley sources opportunities through financial institutions, family offices and other networks developed through Sam Behboudi's experience in the financial industry.

Wembley monitors macroeconomic and microeconomic and asset-specific trends to identify opportunities. Wembley tailors and adapts Client objectives to invest in Private Investments to changing market conditions and seeks to identify situations to generate proceeds by investing in unique investment opportunities. Once opportunities are identified, a non-

disclosure agreement is executed that allows Wembley to conduct extensive due diligence on individual investment opportunities. Wembley evaluates risks on a transaction-by-transaction basis and, as a result, creates an investment structure to express Client's investment objectives. During the due diligence process, Wembley communicates with each Client interested in a specific Private Investment and receives approval to continue to throughout the investment stages through the approval of Private Investment. Wembley does not have investment discretion with Private Investments.

### **Risk of Loss**

The following are certain of the material risks involved in our investment strategy. This list does not purport to be a complete enumeration or explanation of the risks involved in such strategy.

### **Trading Risk**

An investment in a SMA managed by Wembley is speculative and involves a high degree of risk. Wembley may employ certain trading techniques, such as short selling, options trading and the use of leverage, that may increase the risk of investment loss. Because the SMAs invest primarily in public equities, Wembley believes their primary risk of loss is associated with portfolio construction, security selection and broad market movements. Wide and sudden fluctuations in market value can occur. Prospective investors are strongly urged to consult with their own financial, legal and tax advisors, before investing.

Short selling involves the sale of a security that the investor doesn't own and must borrow in order to make deliver in the hope of purchasing the same security at a later date at a lower price. Selling securities short risks losing an amount greater than the proceeds received. Theoretically, securities sold short are subject to unlimited risk of loss. In addition, the supply of securities that can be borrowed fluctuates from time to time. An investor may have losses if a security lender demands return of lent securities and an alternative lending source can't be found.

Like equity securities, options carry no guarantees of profit and are subject to a wide variety of market and risk factors. Be aware it is possible to lose the entire principal invested, and sometimes more. As an options holder, you risk the entire amount of the premium you pay.

We may leverage investment positions by borrowing funds from securities broker dealers, banks or others. While leverage presents opportunities for increasing the total return on an investment, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment by a Client would likely be magnified to the extent that any of them are leveraged.

### **Equity Securities**

Common stocks and other equity securities generally increase or decrease in value based on the earnings of a company and on general industry and market conditions. The value of a company's share price could decline as a result of poor decisions made by management, lower demand for the company's services or products or if the company's revenues fall short of expectations. There are also risks associated with the stock market overall; in particular, the stock market may experience periods of turbulence and instability.

### **Counterparty Risk**

The Client Accounts will deposit all or substantially all of their assets with its brokers and may choose not to use a bank custodian to hold their assets. Rule 15c3-3 under the Securities

Exchange Act of 1934, as amended (the “Exchange Act”) requires a broker-dealer to segregate a customer’s cash and fully paid-for securities from the broker-dealer’s own assets. If the broker-dealer fails to do so, the Client Accounts may be subject to risk of loss of the assets held by the broker-dealer in the event of the broker-dealer’s bankruptcy. In the event of a failure of a broker-dealer used by the Client, the U.S. Securities Investor Protection Corporation provides a maximum of \$500,000 of account insurance per entity, subject to a limit of \$250,000 for cash. If the Client Account’s assets on deposit exceed these amounts, the Client Accounts may receive only a pro rata share of the remaining assets deposited with the failed broker-dealer.

### **Illiquid Securities; Special Investments**

Wembley could allocate to securities or other assets that are not readily marketable, including securities of private companies, restricted securities of public companies (i.e., securities the disposition of which are restricted under applicable securities laws), OTC options and certain other derivatives. It could be difficult to readily dispose of illiquid investments in the ordinary course of business as illiquid assets could take a number of years to dispose of. A Client generally will not be able to sell its illiquid investments publicly unless their sale is registered under applicable U.S. federal, state, or other securities laws, or corresponding laws of non-U.S. jurisdictions, unless an exemption from such registration requirements is available. In some cases, a Client may be prohibited by contract or regulatory requirements from selling its investments for a period of time.

### **Private Funds**

A Client’s Account may be invested in pooled invested vehicles sponsored by third-party managers. Wembley will not have an active role in the management of the assets of the underlying funds, including the valuation by the underlying funds of their investments. A Client’s ability to withdraw from or transfer interests in such funds is limited. Furthermore, the performance and success of each underlying fund will depend on the management of the underlying manager.

### **Alternative Investment Manager Risks**

Wembley could recommend that Client assets be invested with alternative investment managers, including Independent Managers, who make their trading decisions independently. It is possible that one or more investment managers may take investment positions that are opposite of positions taken by other investment managers. Some investment managers may have overlapping strategies or portfolios and thus could accumulate large positions in the same or related instruments at the same time. Wembley may not have access to information regarding the underlying investments made by the investment managers or investment funds and thus may not be able to mitigate the associated risks of concentration or exposure to specific markets or strategies. Because each investment manager will trade independently of the others, the trading losses of some investment managers could offset trading profits achieved by other investment managers. In addition, investment managers may compete for similar positions at the same time.

### **Activities of Alternative Investment Managers and Alternative Investment Funds**

Wembley will have no control over the day-to-day operations of any unaffiliated alternative investment fund or investment manager. As a result, there can be no assurance that every alternative investment fund or investment manager will invest on the basis expected by Wembley. Furthermore, because Wembley will have no control over any investment fund’s or investment manager’s day-to-day operations, Clients may experience losses due to the fraud.



**Limited Operating History**

Wembley has a limited operating history for prospective Clients to evaluate prior to selecting us as an investment adviser.

**Key Man Risk**

As the principal owner of Wembley, Mr. Behboudi is critical to the Wembley's management of Client accounts and the management of the Firm. However, Wembley does not maintain possession of Client assets. Accordingly, any succession plan implemented by the Wembley or any termination of a Client's agreement with Wembley after the departure of Mr. Behboudi would not affect the maintenance of Client assets at the relevant custodian in the name of the Client.

**Operational Risk**

Operational risk is the potential for loss caused by a deficiency in information, communication, transaction processing and settlement and accounting systems. We maintain controls that include systems and procedures to record and reconcile transactions and positions, and to obtain necessary documentation for trading activities

**Long Term Investments**

Wembley's strategy will frequently require longer-term holding periods for its positions and Private Investments in order to be successful and such investments may experience considerable price volatility over such holding periods.

**Valuation**

Wembley may invest in securities or Private Investments which are illiquid or very thinly traded. These investments may be extremely difficult to ascribe a market value, at specific points of time. Third party pricing information may not be available for certain positions held by Clients.

**Leverage**

Certain Private Investments may include companies whose capital structures have significant leverage. Due to such leverage, such companies may be more sensitive to adverse business or financial developments or economic factors. In an environment of rising interest rates a leveraged company may have increased interest obligations associated with its indebtedness. As such, the company's cash flow could be severely impaired resulting in the value of the portfolio company being significantly reduced or eliminated.

**Portfolio Company Management Risks**

The management team of a Private Investment company may have a limited number of key individuals, the loss of any one of whom could significantly adversely affect the portfolio company's performance.

**Reliance on Corporate Management and Financial Reporting**

The Private Investment that may be recommended by Wembley will rely on the financial information made available by each portfolio company. Wembley may be limited in its ability

to independently verify the financial information disseminated by any such portfolio company and is, therefore, dependent upon the integrity of both the management of such company and its financial reporting process in general.

### **Economic Conditions**

Changes in economic conditions, including, for example, interest rates, inflation rates, currency and exchange rates, industry conditions, competition, technological developments, trade relationships, political and diplomatic events and trends, tax laws and innumerable other factors, can affect substantially and adversely the investment performance of the Funds. Economic, political and financial conditions, or industry or economic trends and developments, may, from time to time, and for varying periods of time, cause volatility, illiquidity or other potentially adverse effects in the financial markets. Economic or political turmoil, a deterioration of diplomatic relations or a natural or man-made disaster in a region or country where Client assets are invested may result in adverse consequences to such Clients. None of these conditions is or will be within the control of Wembley, and no assurances can be given that Wembley will anticipate these developments.

### **Cybersecurity Risk**

Wembley's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. The implementation of various measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly have been undertaken by Wembley. The failure of these systems and/or or disaster recovery plans for any reason could cause significant interruptions in Wembley's operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Clients. Such a failure could harm Wembley's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance. Additionally, any failure of Wembley's information, technology or security systems could have an adverse impact on its ability to manage Client Accounts referred to herein.

### **Item 9 - Disciplinary Information**

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Wembley has not been subject to any disciplinary action, whether criminal, civil or administrative (including regulatory) in any jurisdiction. Likewise, no persons involved in the management of the Firm have been subject to such action.

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

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Wembley is not affiliated with any other financial industry activities.

### **Item 11 Code of Ethics, Participation/Interest in Client Transactions, Personal Trading**

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#### **Code of Ethics Pursuant to Rule 204A-I of the Advisers Act**

Pursuant to Rule 204A-I of the Advisers Act, we have adopted a Code of Ethics and Employee Investment Policy that establishes various procedures with respect to investment transactions in accounts in which the Managing Member and future employees (each an employee and collectively the "employees") of Wembley or related persons (such as members of their

immediate household) have a beneficial interest or accounts over which an employee has investment discretion. The foundation of the Code of Ethics is based on the underlying principles that:

- Employees must place the interests of our Clients first at all times;
- Employees must make sure that all personal securities transactions are conducted consistent with the Code of Ethics; and
- Employees should not take inappropriate advantage of their position at Wembley.

All Wembley employees are deemed to be “Access Persons” and are required to adhere to a comprehensive Code of Ethics and Employee Investment Policy, which covers the duty of confidentiality as well as personal trading. All employees are required to certify their adherence to the Code of Ethics and Employee Investment Policy.

In addition, employees may not acquire securities for their own account in an initial public offering without pre-clearance from the CCO. Employees must also obtain pre-approval from the CCO before engaging in any outside business activities or private placements. Initially, the CCO will receive pre-clearance from the Clients when entering into any personal securities transactions, initial public offerings, outside business activities or private placements.

Future employees must direct their brokers to send duplicate brokerage statements to the CCO. These records are used to monitor compliance with the foregoing policies. Employees are prohibited from investing in individual securities without obtaining pre-clearance from the CCO.

These policies apply to any personal transactions involving equity, debt, options, or futures. This policy does not apply to transactions involving government securities, open-end mutual funds, broad based index products, exchange traded funds, money market funds or other instruments which afford the investor no discretion over individual securities. Wembley's Code of Ethics and Employee Investment Policy are available to Clients upon request.

### **Private Investments**

Clients acknowledge that because Wembley will receive a performance-based fee on profitable investments, but will not share in losses, Wembley will have different interests than Clients and may be incentivized to take greater risk. Clients must approve all Private Investments. Sam Behboudi may also invest alongside Client via a co-investment opportunity to better align interests of Client and Wembley. Client must pre-approve Mr. Behboudi's co-investment.

Wembley and/or its associate persons may have an investment position in securities of the same issuer as securities held in the Client Account. Client acknowledges that this may create a conflict of interest and consents to such conflict of interest. Wembley must pre-approve personal Private Investments of Mr. Behboudi with Clients.

There may be an occasion whereby a Private Investment could be allocated to multiple Clients. In such circumstances, Wembley will present the investment opportunity to all eligible Clients and will receive approval to continue pursuing the Private Investment for multiple clients and allocate on a pro-rata basis, or receive a written rejection from a Client thus allowing a different Client to pursue such Private Investment.

### **Privacy Policy**

We are committed to maintaining the confidentiality, integrity and security of our Client's personal information. It is our policy to collect only information necessary or relevant to our

management business and to use only legitimate means to collect such information. Without Client consent we do not disclose any non-public personal information about our Clients or former Clients to anyone except for servicing and processing transactions and as required by law. We restrict access to non-public personal information about our Clients to those employees with a legitimate business need for the information. Wembley maintains security practices, physical, electronic, and procedural safeguards to guard Investor's non-public personal information.

Wembley's Privacy Policy is available upon request.

## **Item 12 - Brokerage Practices**

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Wembley has discretionary authority to manage the Client Accounts, including authority to make decisions with respect to which securities are bought and sold, the amount and price of those securities, the brokers or dealers to be used for a particular transaction, and the commissions paid. Our authority is governed by the terms of the IMA with the Client Account.

In selecting an appropriate broker dealer to affect a Client trade, we seek to obtain "best execution," meaning generally the execution of a securities transaction for a Client in such a manner that a Client's total costs or proceeds in the transaction are most favorable under the circumstances. Accordingly, in seeking best execution, we take into consideration the price of a security offered by the broker dealer, as well as a broker dealer's full range and quality of services including, among other things, their facilities, reliability and financial responsibility, execution capability, commission rates, responsiveness to us, brokerage and research services provided to us (e.g., research ideas, analysis, and investment strategies), special execution and block positioning capabilities, clearance, and settlement and custodial services.

For Client Accounts whereby Wembley does not have discretionary authority, under this relationship, Wembley consults with the Client prior to executing trades in the Client's account. Clients dictate who they choose as custodian, therefore, Wembley can not assure best execution of non-discretionary transactions.

### **Aggregation of Orders**

We will generally aggregate trade orders for multiple Client Accounts, which are custodied at the same custodian to achieve more efficient execution or to provide for equitable treatment among the accounts. The Clients participating in aggregated trades will be allocated securities based on the average price achieved for such trades.

### **Allocation**

Our policy prohibits any allocation of trades in a manner that favors personal trading accounts or any particular Client(s) or group of Clients over other Client Accounts. We have adopted a policy for the fair and equitable allocation of transactions that generally analyses each trade on an investment by investment basis, taking into consideration the specifics of each trade and the characteristics of each Client Account. To the extent that multiple Client Accounts participate in a particular transaction such transaction will generally be allocated pro-rata among such Client Accounts, unless facts specific to the transaction and the trade warrant an alternative allocation methodology.

### **Trade Errors**

As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of the Client Accounts. In the event any error occurs in the handling of any

transactions due to Wembley's actions, or inaction, or the actions of others, our policy is to assess each trade error on a case-by-case basis.

### **Research and Soft Dollars**

Wembley has no active soft dollar arrangements.

Wembley does not believe that these arrangements are material to its selection of brokers and has implemented the aforementioned policies and procedures to ensure best execution. These practices are in compliance with Securities and Exchange Commission Rule 28(e), a safe harbor provision which provides that there is no breach of the fiduciary duty to clients when participating in soft dollar arrangements if the manager determines in good faith that the amount of the commission is reasonable in relation to the value of these services.

### **Item 13 - Review of Accounts**

The Client Accounts are reviewed on a continual basis by Mr. Behboudi as Portfolio Manager and CCO to assure conformity with investment objectives and guidelines.

We engage in active management for the Client Accounts and, accordingly, review our transactions, positions and cash balances on a daily basis.

Clients receive account statements directly from their chosen custodian on at least a quarterly basis. Wembley supplements these custodial statements each quarter. Wembley may provide additional reports during client meetings or upon request.

Private Investments are monitored periodically but at least quarterly Client will receive an updated asset report.

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

We do not currently utilize any third-party marketers or solicitors; however, it is possible that we may engage third party marketers or solicitors in the future. In the scenario where we engage third party marketers or solicitors, the brochure will be updated accordingly.

### **Item 15 - Custody**

The amended and revised Rule 206(4)-2 of the Advisers Act sets forth extensive requirements regarding possession or custody of Client funds or securities. The Rule requires advisers that have custody of Client funds or securities to implement a set of controls designed to protect those Client assets from being lost, misused, misappropriated, or subject to financial reverses.

Pursuant to Rule 206(4)-2, we are deemed to have custody of our Client Account's funds and securities because (i) we may debit fees directly from the accounts of such Clients and/or (ii) certain Clients have executed a letter or instruction or similar asset transfer authorization arrangement with a qualified custodian whereby we are authorized to withdraw Client funds or securities maintained with a qualified custodian upon our instruction to the qualified custodian (each, an "SLOA"). The terms of each such SLOA are consistent with the terms described in the February 21, 2017 letter of the Chief Counsel's Office of the Securities and Exchange Commission clarifying custody with respect to a standing letter of instruction or other similar asset transfer authorization arrangement established by a Client with a qualified custodian.

The qualified custodian of each client account sends or makes available, on a monthly basis or more frequently, account statements directly to each client. We urge clients to carefully review these account statements from their qualified custodians and compare the information therein with any financial statements or information received or made available to clients through us or any other outside vendor.

Wembley does not have discretion of or custody of Private Investments.

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**Item 16 - Investment Discretion**

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Wembley provides discretionary and non-discretionary advisory services to Client Accounts. For those Client Accounts that Wembley has discretion, Wembley has authority to supervise and direct, on an ongoing basis, the investments of the Client in accordance with the Client's predetermined investment objectives and guidelines as defined in the IMA. We are authorized, in our discretion and without prior consultation with the Client, to: (1) buy, sell, exchange, and otherwise trade any stocks, bonds or other securities or assets (2) place orders and negotiate commissions (if any) for the execution of all transactions in securities with or through such broker dealer underwriters or issuers, and (3) make direct and indirect investment in real estate or other assets. Any limitations to such authority will be communicated by the Client to us in writing.

Wembley monitors non-discretionary accounts for overall Client portfolio analysis, risk assessment and diversification. Wembley does not have authority to execute trades in non-discretionary Client Accounts. non-discretionary accounts,

Investment in all Private Investments is on a non-discretionary basis.

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**Item 17 - Voting Client Securities**

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To the extent Wembley has been delegated proxy voting authority on behalf of its Clients, Wembley complies with its proxy voting policies and procedures that are designed to ensure that in cases where Wembley votes proxies with respect to Client securities, such proxies are voted in the best interest of the Client Accounts. Upon request, we will provide our Clients with a copy of our proxy voting policies and procedures and/or a record of all proxy votes cast for such Client.

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**Item 18 - Financial Information**

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Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Wembley does not charge Clients greater than \$1,200 in management fees six months in advance, has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding.