



**Firm Brochure**  
**Form ADV, Part 2A**

**March 31, 2021**

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*This brochure provides information about the qualifications and business practices of Keel Point, LLC. If you have any questions about the contents of this brochure, please contact us at (256) 704-5111. Our website is [www.keelpoint.com](http://www.keelpoint.com). Additional information about Keel Point, LLC is also available on the United States Securities and Exchange Commission's ("SEC") website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Keel Point, LLC is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any level of skill or training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.*

## **Item 2. Material Changes**

The Material Changes section of this Brochure is a summary of specific material changes since our August 27, 2020 update. Pursuant to SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We will provide ongoing disclosure information about material changes as necessary.

The following items are considered to be material to our business. We have provided a description to highlight these items and encourage you to further review the detailed disclosures provided in our Brochure under the relevant section referenced.

Clint Ward was named Chief Compliance Officer effective September 14, 2020.

### **Item 4: Advisory Business**

Keel Point amended **Item 4: Advisory Business** to disclose that:

- As of Dec. 31, 2020, Keel Point had \$2,617,731,024 in assets under management.
- Changes to our product offering following further integration of the firm.
- We have closed our office in Purcellville, VA, and opened an office in Birmingham, AL.

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

Keel Point disclosed that it has launched the Keel Point Tactical Alpha Fund, LP.

### **Wrap Fee Program**

We removed all references to wrap fee programs, as Keel Point no longer participates in any such program.

### **Business Continuity Plan Implementation**

Due to the COVID-19 (Coronavirus), in an abundance of caution, Keel Point, LLC has implemented a temporary work from home policy for many of our employees.

Should you need to reach out to your wealth advisor please contact them directly via email or phone. In the event that you have a deposit you would like to make, please mail your deposit via USPS and your deposit will be made in a timely manner.

If you call one of our offices, your call will be returned as soon as possible. Branch addresses and phone numbers are found on the first page of this document.

We realize this is a fluid situation and we will continue to follow guidelines set by the Centers for Disease Control and the World Health Organization. You can contact the Firm's Chief Compliance Officer if you have any questions about the firm's Business Continuity Plan or to request a full copy of the Plan.

If you would like another copy of this Brochure, please download it from the SEC website as indicated above or you can request a copy from Clint Ward, Chief Compliance Officer, at (256) 704-0507.

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## **Item 4. Advisory Business**

### **The Firm's History and its Owners**

Keel Point, LLC was founded in 1998 and BlueCreek Investment Partners, LLC was founded in 2003. In January 2015, Keel Point, LLC and BlueCreek Investment Partners, LLC merged and with clients' consent, assets managed by BlueCreek Investment Partners, LLC were assigned to Keel Point, LLC (the "Firm" and sometimes referred to herein as "our" or "us" or "we" as appropriate).

The Firm's home office is located in Huntsville, Alabama, with branch offices in Birmingham, Alabama; Leawood, Kansas; Brentwood, Tennessee; Chattanooga, Tennessee; Greenville, North Carolina; and Vienna, Virginia. The Firm and its affiliates, Keel Point Capital, LLC ("KPC"), a broker-dealer registered with the SEC, and Keel Point Insurance Advisors, LLC ("KPIA"), a licensed insurance agency, are wholly owned by Keel Point Partners LLC ("KPP"). KPP is owned by certain client-investors and members of our management team.

A detailed description of the Firm's ownership structure is in **Item 10: Other Financial Industry Activities and Affiliations**.

Historically, the Firm had two distinct service models based on each of the legacy advisory firm's client service models. Since the merger transaction, the Firm had maintained the methodologies of each legacy firm for calculating client fees, including the prior fee schedules and method of billing for both of the service models.

Effective as of January 1, 2021, we restructured our operations, including establishing a single methodology for calculating client fees, based on the terms of our current investment advisory agreement. The Firm currently offers discretionary and non-discretionary investment advisory services, including providing financial planning, asset allocation, and portfolio construction recommendations, as well as managing client accounts across a range of asset classes and investments. At our core, we focus on delivering investment advisory services across a broad spectrum of clients, including individual wealth management and private client services, family office services, institutional services, including the construction and management of investment portfolios, and corporate financial services, including employee benefit and retirement plan services.

**However, we do not offer tax, accounting, regulatory, or legal advisory services. You should seek outside counsel for these services.**

The restructuring of the Firm also resulted in certain offerings, including structured notes, structured note replication products, BlueArc Funds, Keel Point Tactical, Private Keel Point Tactical Alpha Fund, Keel Point Large Cap Strategy, and certain private equity, private credit, and private real estate investments moving from our investment advisory platform to KPC's brokerage platform. As a result, these products are now managed by KPC. The provision of brokerage services by KPC is subject to all the terms and conditions of the client's customer agreement with KPC. If the client does not have an existing agreement with KPC, a client will be required to enter into such an agreement to retain its investment in any affected product offering.

Through our affiliated broker-dealer, KPC, we also provide our advisory clients with a variety of execution and other brokerage services on a fully disclosed basis through KPC's clearing broker, National Financial Services, LLC, a Fidelity Investments company ("NFS").

## The Advisory Services We Offer

The Firm offers clients a seamless combination of an open architecture investment platform with KPC, its broker-dealer affiliate, for a fully integrated wealth management offering. The Firm employs an open architecture investment platform to fulfill each client's investment strategy, which provides investment exposure to a full range of asset classes via mutual funds, exchange traded funds, options, structured financial products and separate accounts managed by KPC or unaffiliated third parties. We also recommend investments in privately offered pooled investment vehicles, such as hedge funds, private equity funds or other similar vehicles for clients who are qualified to invest in those funds and for whom those investments are otherwise deemed to be appropriate.

Currently, the Firm offers its individual, institutional and corporate clients discretionary and non-discretionary investment advisory services primarily through one or more of the following service platforms:

- Keel Point Private Client Services. Investment advisory services for individuals and families;
- Keel Point Horizon Services. Family office services for ultra-high net worth families;
- Keel Point Corporate Services. Group retirement and benefits solutions for businesses; and
- Keel Point Asset Management. Outsourced chief investment officer and investment consulting services for institutions, foundations, endowments and third-party investment advisers.

For each service platform, we gather information regarding client goals, investment objectives, and risk tolerance by conducting extensive interviews with our clients to determine each client's risk profile and obtain the necessary information to enable us to construct a tailored investment program for each client.

As part of our investment advisory services, we monitor the performance of client portfolios against certain agreed upon benchmarks, assess the performance of any of our Sub-Advisers (as defined in **Item 5: Fees and Compensation**), and report results to clients through periodic meetings and quarterly investment reports.

A more detailed description of each service platform and the types of advisory services offered under each platform is provided below.

### Keel Point Private Client Services

The focus of our Keel Point Private Client platform is providing investment advisory services for individuals and families, with an emphasis on developing strategic and tactical asset allocations for the needs of each of our clients. As appropriate, we utilize the services of Sub-Advisers or co-advisers to assist in the management of a portion of the client's assets.

We develop strategic and tactical asset allocations for clients based on their financial plan. Client information not gathered during the financial planning process is obtained through further personal interviews. We assess the client's risk tolerance, determine needs and objectives, and review the client's current assets. Based on the results of this process, we will make recommendations for asset allocation, securities, products or strategies, and/or the

selection of money managers. Each client's unique situation is taken into account to create and manage an investment portfolio, including the allocation of client assets among different asset classes such as equities, fixed income, mutual funds, exchange traded funds, hedge funds or other alternative investments. In all instances, we allocate client assets in accordance with the client's investment objectives and risk tolerance in an effort to ensure our investment elections are suitable for the client.

Clients grant us full discretion, consistent with the parameters of the client's investment objectives and risk tolerance, to manage and direct the investment of the client's assets. Utilizing this authority, we will make investment decisions related to the client's account by investing the assets in securities, strategies and other investments of the types consistent with the client's investment objectives, assets available for investment, and risk tolerance based on personal, financial, and other information provided by the client to us, as such information may be modified or supplemented from time to time during the term of the client's investment advisory agreement ("Investment Policy Statement").

In a manner consistent with the client's Investment Policy Statement and under the terms of the client's investment advisory agreement, we have the authority to purchase a broad range of types of investments on the client's behalf, without distinction between principal and income, including mutual funds, exchange traded funds, private funds, hedge funds, structured notes and other alternative investments. Under the terms of the investment advisory agreement, we have the authority to determine the asset allocation of the client's account assets and will allocate and, when appropriate, reallocate the account assets among investments and asset classifications consistent with the client's Investment Policy Statement.

Financial Planning Services. From time to time, as and when requested by the client, we will provide clients with financial planning or other financial consulting services. Financial planning includes advice on establishing investment goals, risk tolerance, retirement planning, individual retirement account and qualified plan distributions, college funding, business planning, estate and tax planning, insurance analysis, equity compensation, and charitable giving.

As part of our financial planning service offerings, we develop a financial plan for the client, which will address the client's goals and require us to gather the client's personal and financial data, perform an analysis of such data, perform financial modeling, meet with the client to define their goals and objectives, discuss recommendations, and monitor the financial plan to address changing circumstances, including life and goal changes and portfolio rebalancing. Each client's financial plan will include one or more of the following concepts:

- Examining the client's net worth, investment accounts (including asset allocation and repositioning recommendations), retirement accounts and plans, and insurance policies;
- Developing a financial position statement;
- Performing cash flow summaries;
- Maximizing tax strategies;
- Evaluating potential retirement scenarios;
- Performing an estate planning review,

- Constructing a recommend portfolio; and
- Engaging in education planning.

In developing a financial plan, we will provide the client with detailed investment advice and specific recommendations, but we will not exercise investment discretion or otherwise implement such advice or recommendations unless otherwise authorized to do so pursuant to the terms of the client's investment advisory agreement. In addition, there is no fee or charge for the financial plan, unless otherwise agreed upon by the client in writing.

#### Keel Point Horizon Services (*Family Office Services*)

We provide a range of customized family office services, including discretionary and non-discretionary investment advice, to our ultra-high net worth Horizon families that engage us to manage multi-generational wealth. We address a family's personal, planning, business and financial affairs in an integrated and coordinated manner by gathering information regarding client goals, investment objectives, and risk tolerance through personal meetings and discussions with clients, which include performing one or more of the following:

1. Initial Set-up. We obtain the necessary data and historical information from the client to provide Family Office Services, including reviewing legal agreements, assessing the client's overall estate plan, and onboarding the client in our family office platform.
2. Discovery Profile. Following the initial set-up, we perform The Discovery Profile process, which is designed to clarify the client's mission, vision, values, and goals, and which provides us with a basis for identifying the scope of Family Office Services required by the client.
3. Wealth Design. As necessary or as requested by the client, we will perform a wealth design review that focuses on the client's estate, income tax and philanthropic planning goals and objectives.
4. Family Office Project Special Services. From time to time and as requested by the client, we perform projects that are outside of the scope of our core Family Office Services, including management and private investment due diligence services, which include engaging and supervising attorneys, performing on site due diligence visits, analyzing and reviewing investment documents and performing general due diligence on investment opportunities.

In addition to providing our family office clients with investment advisory services, our family office service offerings include providing clients with advice and recommendations involving wealth design services; estate settlement services; trust administration services; lifestyle management; investment management, including asset allocation and portfolio construction; financial planning; education; philanthropic services; tax- and insurance-related services, including tax planning and coordination of administration of the client's third-party accountants; private investment due diligence; and family coaching and mentoring. We are able to offer these comprehensive wealth management services by partnering with a select group of strategic partners.

Family Office Services often involve the performance of one or more of the following services:

1. Financial Services. We or one or more of our affiliates assist clients with creating a comprehensive financial plan, including developing financial goals, cash flow management, income tax planning, education funding, insurance analysis, debt review, multi-generational wealth planning, and estate planning.
2. Tax Services. We assist our clients with tax planning, including interacting with client's tax advisors, in the areas of tax compliance, planning, management, risk management, controversy resolution, and impact on legacy and philanthropic objectives.
3. Generational Planning. In an effort to direct financial and non-financial decisions, we assist our clients with the creation and management of their complex estate plans.
4. Human Capital Services. We focus on educating succeeding generations within a family on a variety of topics, including financial literacy and education, mentoring, heir preparation and development, succession planning and family governance.
5. Philanthropic Services. We assist families with managing charitable giving, including structuring giving platforms such as family foundations, mission development, and organizational planning.
6. Reporting Services. We perform reporting services for clients on the portion of their assets that we do not manage. These reported assets are either managed by the client or a third-party investment manager, but are included in the investment reports.

#### Keel Point Corporate Services

We provide fiduciary management and investment advisory services, and non-fiduciary education and consulting services, to a variety of retirement plan participants and plan sponsors, including group retirement plans, executive benefit plans, group health benefits, group and individual life insurance, group and individual disability insurance, and group and individual long-term care insurance.

Non-Discretionary Retirement Plan Sponsor Consulting Services. In addition to providing investment advisory services to retirement plan participants and plan sponsors, we provide non-discretionary investment consulting services to plan sponsors of profit sharing 401(k) plans under Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As a Section 3(21) investment adviser or non-discretionary adviser, we provide the plan sponsor with non-binding investment recommendations to the plans regarding fund options that are available to plan participants.

In providing these services, we do not (i) exercise investment discretion, management or authority over the plan assets, (ii) maintain custody or control over client assets, or (iii) undertake responsibility for execution of trades or administration of the plan. In addition, we are not otherwise responsible for valuation, recordkeeping, or proxy voting. The plan sponsors are ultimately required to exercise their discretion to act upon the investment options recommended by us, with participants being responsible for any individual investment selections made under the plan.

Discretionary Retirement Plan Services. We offer full discretionary investment management services to retirement plan sponsors under Section 3(38) of ERISA. In the capacity as an "investment manager" under Section 3(38) of ERISA, and in exercising our

authority as an “investment manager” with respect to plan assets, we perform the following services on behalf of the plan and the plan participants: (i) provide portfolio model allocations for retirement plans utilizing the available investment options under the plan; (ii) develop, manage, monitor and rebalance the portfolio model allocations in accordance with our model account management service methodology, as described in **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**; (iii) provide ongoing and continuous discretionary investment management to plan participants electing to invest their plan account assets in one of our portfolio model allocations based on the participant’s investment objectives, assets available for investment, and risk tolerance (the “Participant Profile Information”), including reallocation and rebalancing of participant plan accounts in accordance with our portfolio model allocations; (iv) conduct initial and on-going meetings with those plan participants electing to invest their plan account assets in one of our portfolio model allocations to obtain and update the Participant Profile Information, including advising each participant about the asset management process and the available portfolio model allocations that are suitable investment strategies; and (v) allocate assets of the plan participants among the plan’s approved investment alternatives and exercising discretionary investment management over participant accounts to diversify, reallocate and rebalance the account allocations of plan participants in accordance with our portfolio model allocations.

#### Keel Point Asset Management Services

Under our Keel Point Asset Management service platform, we work alongside institutions and other third-party investment advisers to help build and improve their investment portfolios and portfolio management processes. In this capacity, we serve as an outsourced chief investment officer (“OCIO”) for these clients.

The Firm’s OCIO investment management solutions are a natural extension of our traditional investment advisory practice. In our capacity as an OCIO services provider, we perform the following services:

- Investment Management:
  - Serve as an investment adviser to our clients’ management team and board of directors
  - Source investment opportunities
  - Perform due diligence on potential investment opportunities including investment manager due diligence and selection
  - Conduct discretionary portfolio management
  - Contribute intellectual capital including research, analytics and market viewpoints in an effort to monitor investment performance
- Portfolio Management:
  - Perform portfolio construction and implementation including design of internal organizational and decision-making structures, automation of internal processes, and assistance with board or investment committee governance
  - Perform asset allocation modeling

- Conduct asset sales or redemptions, including secondary sales of limited partnership interests
- Perform strategic restructuring of client portfolios
- Implementation:
  - Develop customized investment solutions that satisfy each client's organizational challenges and needs
  - Conduct portfolio performance monitoring including evaluating portfolio investments for returns and diversification criteria
  - Develop investment policies consistent with each client's portfolio objectives
  - Support our clients' strategic investment mission
  - Assist our clients with educating and informing their employees of investment options and risks

Co-Investment Management Services. Under the Keel Point Asset Management service platform, we offer qualified clients an opportunity to invest in certain funds or strategies in which we serve as a co-investment manager. For instance, we have entered into an agreement with Lavaca Capital, an SEC-registered investment adviser, in which we and Lavaca Capital serve as co-investment advisers through a jointly developed replicated structured note investment strategy. The Firm and Lavaca Capital provide discretionary investment management services under this strategy. Investment options and types of investments utilized under the replicated structured note investment strategy will vary. However, all investments utilized under the strategy will be consistent with the client's investment objectives as outlined in the client's Investment Policy Statement.

Consulting Services. We also provide non-discretionary investment consulting services to clients, including investment supervisory services, asset management services, tax-related services, and trust services including estate planning. As noted above, Keel Point does not provide tax and legal advice and clients should contact outside legal and accounting professionals for such advice. Our investment consulting services also include consulting arrangements with third-party investment advisers, in which we assist the third-party investment adviser with the development of investment policy statements, model portfolio construction, risk analytics, model performance analytics, market views, investment recommendations and adviser training. Under these consulting arrangements, our services are limited to non-discretionary asset management or advisory services, with all discretionary authority remaining with the third-party adviser.

*Retirement Plan Sponsor Consulting Services.* Non-Discretionary Retirement Plan Sponsor Consulting Services. In addition to providing investment advisory services to retirement plan participants and plan sponsors, we provide non-discretionary investment consulting services to plan sponsors of profit sharing 401(k) plans under Section 3(21) of ERISA. As a Section 3(21) investment adviser or non-discretionary adviser, we provide the plan sponsor with non-binding investment recommendations to the plans regarding the fund options that are available to plan participants. In providing these services, we do not exercise investment discretion, management or authority over

the plan assets, maintain custody or control over client assets, undertake responsibility for execution of trades or administration of the plan, and are not otherwise responsible for valuation, recordkeeping, or proxy voting. The plan sponsors are ultimately required to exercise their discretion to act upon the investment options recommended by us, with participants being responsible for any individual investment selections made under the plan.

***Discretionary Retirement Plan Services.*** We offer full discretionary investment management services to retirement plan sponsors under Section 3(38) of ERISA. In the capacity as an “investment manager” under Section 3(38) of ERISA, and in exercising our authority as an “investment manager” with respect to plan assets, we perform the following services on behalf of the plan and the plan participants: (a) provide portfolio model allocations for retirement plans utilizing the available investment options under the plan; (b) develop, manage, monitor and rebalance the portfolio model allocations in accordance with our model account management service methodology, as described in **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**, below; (c) provide ongoing and continuous discretionary investment management to plan participants electing to invest their plan account assets in one of our portfolio model allocations based on the Participant Profile Information, including reallocation and rebalancing of participant plan accounts in accordance with our portfolio model allocations; (d) conduct initial and on-going meetings with those plan participants electing to invest their plan account assets in one of our portfolio model allocations to obtain and update the Participant Profile Information, including advising each participant about the asset management process and the available portfolio model allocations that are suitable investment strategies; and (e) allocating assets of the plan participants among the plan’s approved investment alternatives and exercising discretionary investment management over participant accounts to diversify, reallocate and rebalance the account allocations of plan participants in accordance with our portfolio model allocations.

#### Qualified Opportunity Zone Funds

Certain qualified clients are permitted to invest in a third-party Qualified Opportunity Zone Fund that will provide those clients with exposure to the tax advantages provided by The Tax Cuts and Jobs Act of 2017, which established a tax-advantaged investment framework for certain types of investments in newly established Qualified Opportunity Zones within the U.S. The risks and benefits of investing in Qualified Opportunity Zones are provided in detail in the Fund’s Private Placement Memorandum.

#### Level of Service Offered

Our practice is to align each financial plan, investment program, and advisory service with the specific needs of the client. Clients are permitted to provide restrictions with regard to our ability to invest in specific securities or types of securities. Such restrictions are identified in the client’s Investment Policy Statement, which documents and outlines the client’s mission, vision, values and goals. We require each client to provide an Investment Policy Statement at the beginning of our

relationship. A more detailed description of our approach to portfolio construction is in **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.**

### **Assets Under Management**

As of December 31, 2020, our total assets under management was approximately \$2,617,731,024. We manage \$2,014,849,514 on a discretionary basis and \$602,881,510 on a non-discretionary basis.

## **Item 5. Fees and Compensation**

### **Fees and Compensation**

The Firm is compensated in different ways depending on the types of services provided.

**Investment Management Services.** In the case of investment management services, clients pay us periodic asset-based fees that are based on the average daily value of the assets maintained in an account managed by us. The periodic asset-based fee is payable quarterly in advance. In some cases, the asset-based fees are negotiable, but generally are based on the Firm's standard fee schedule. However, illiquid and held-away assets, the investment of which is not directed by us, are excluded in computing a client's periodic asset-based fee.

**Financial Planning Services.** To the extent that we are providing a client with investment management services, other than charging the asset-based fee and fund-related compensation, if any, we do not charge for financial planning services. However, if we are providing the client with financial planning and consulting services only, we will charge the client an agreed upon hourly or flat rate fee for such services, which will be determined based upon the facts and circumstances of the client's financial situation and the complexity of the financial plan or service requested.

As noted in **Item 4: Advisory Business**, above, prior to the business combination between BlueCreek Investment Partners, LLC and Keel Point, LLC, client fees were calculated under different methodologies based on each of Blue Creek Investment Partners, LLC's and Keel Point, LLC's legacy client service models. Since the merger transaction, the Firm had maintained the methodologies of each legacy firm for calculating client fees, including the prior fee schedules and method of billing for both of the service models. Effective as of January 1, 2021, Keel Point restructured its operations, which included establishing a single methodology for calculating client fees based on the terms of its current investment advisory agreement. Consistent with the terms of its current investment advisory agreement, the Firm will bill clients investment management fees in advance on a quarterly basis.

Unless expressly noted to the contrary, clients maintaining accounts with us will incur transaction costs, fees, commissions and other charges and expenses in addition to the fees paid to us. In some cases, we and our employees and affiliated companies will also receive fees and compensation that are in addition to the fees paid directly by the client, including from mutual funds or similar funds, third-party providers and affiliates.

**Investment Management Services.** For the performance of investment management services, clients pay us periodic asset-based fees based on the average daily value of the assets maintained in the client's account managed by us. These asset-based fees are based upon the

average daily balance of the client's account for the preceding calendar quarter and are payable quarterly in advance at an annual rate as set forth in the fee schedule below. If our management of the client's account commences on a day other than the first business day of a calendar quarter, our billing of the asset-based fee will proceed from the date the account is opened with us for management and the asset-based fees will be prorated through the end of the quarter. The client will authorize us in its investment advisory agreement to direct the custodian to pay our asset-based fees directly from the client's account based upon a statement that we will send to the custodian.

For securities with a readily verifiable market price, we rely on pricing provided by third-party custodians or other third-party administrators. If certain average daily values within the client account(s) are not readily available at the time the quarterly fee is due, we will use the most recent information received from investment managers, including manager estimates. We use other valuation methods to determine the market value of assets for other hard to value securities, including certain pooled investment vehicles, private investment vehicles and other illiquid investments, and held-away private investments. For instance, for pooled investment vehicle investments, such as hedge funds, that do not regularly report a per unit valuation, we use the most recently reported fair market value of the client's holding. A client's holding in other private investment vehicles and illiquid investments that do not regularly report a fair market value-based valuation will be valued by us at cost until the issuer notifies us of a different fair market valuation measure. Held-away private investments, the investment of which was directed by us and which are subject to our investment management, will be valued by us based on a client-provided independent fair market valuation, and be included in computing a client's periodic asset-based fee. However, we do not charge clients asset-based fees on held-away assets, the investment of which was not directed by us.

Client's asset-based fees are based on a percentage of the assets managed by us for which we provide investment management services as follows:

<b>Market Value of Assets</b>	<b>Annual Fee</b>
First \$1,000,000	1.30%
From \$1,000,000.01 to and including \$2,000,000	1.05%
From \$2,000,000.01 to and including \$5,000,000	0.80%
From \$5,000,000.01 to and including \$10,000,000	0.70%
From \$10,000,000.01 to and including \$25,000,000	0.50%
From \$25,000,000.01 to and including \$50,000,000	0.30%

From \$50,000,000.01 to and including \$100,000,000	0.25%
From \$100,000,000.01 to and including \$200,000,000	0.20%
\$200,000,000.01 and above	0.15%

Our asset-based fees apply to all assets in the client's account, including assets invested in mutual funds, money market mutual funds, exchange-traded funds, collective investment funds, common trust funds, pooled investment funds or similar funds. Client assets invested in such funds may also be subject to additional fees and expenses charged by the fund. However, we will exclude from our computation of the asset-based fee any illiquid and held-away assets, the investment of which was not directed by us. Clients are responsible for verifying the asset-based fee computations; provided, however, the custodian will send each client a monthly statement showing all amounts paid from the account, including all management fees paid to us by the custodian.

We reserve the right to discount or waive any fees associated with a client's account in our sole discretion. If applicable, any changes to the fee schedule that occur during a quarter will be effective as of the first day of the next quarter.

Householding. Clients maintaining multiple accounts with us will be permitted to aggregate the balances of their accounts for purposes of determining the client's total assets for calculating their asset-based fees.

Account Termination. The client has the right to terminate the investment advisory agreement without penalty within five business days after entering into the agreement with us. In addition, either the client or us has the right to terminate the agreement at any time upon 30 days' advance written notice. We will have no responsibility to monitor the securities or other investments in an account that was terminated; nor will we have any obligation to liquidate the securities or other investments in the terminated account. Upon termination of the investment advisory agreement, fees will be prorated up to and including the date of termination and we will refund to the client any unearned prepaid fees.

Family Office Services. In addition to the asset-based fees we receive for performing investment management services, clients receiving family office services will be subject to additional fees based upon the levels of services performed. Fees for providing Family Office Services outside of the performance of investment advisory or investment management services are based upon the nature of work or scope of services, the sophistication of the services provided, the professional level of personnel required, the resources required for performing such services, and are charged on an annual fixed fee, hourly or project basis. Family Office Services fees are determined on a case-by-case basis and will be agreed upon by the client and us, in writing, and described in the client agreement. Annual family office fees are payable quarterly in advance, and project fees are payable per the terms of the project including in advance, in installments or at completion of the service. The following is a summary of the range of fees that we charge clients for providing Family Office Services:

1. Initial One-Time Set-up Fee. Subject to the complexity of the client's financial structure, the set-up fee ranges from \$20,000 to \$75,000.
2. Discovery Profile Fee. Subject to our discretion to waive all or a portion of the fee based upon the level of Family Office Services provided, we charge a minimum fee of \$7,500 for The Discovery Profile.
3. Annual Family Office Fee. Subject to the scope of the services provided and the complexity of the client's financial structure, annual fees range from \$25,000 to \$400,000. The Annual Family Office fee will be payable quarterly, in advance, and is deemed to be provided under an annual retainer contract. Therefore, unless the client terminates such services, the annual retainer contract will renew annually and shall be subject to a 5% annual fee increase.
4. Family Office Project Special Services Fee. Fees for our performance of Family Office Project Special Services are determined on a case-by-case basis and are either based upon agreed upon hourly rates or a fixed contract price.
5. Financial Plan. The fees for preparing a wealth strategy plan on behalf of a client ranges from \$10,000 to \$100,000. Additional financial planning fees will be charged on either a fixed fee or hourly rate basis and will vary based upon the client's needs and the scope of services provided.
6. Management and Due Diligence Services. Fees for management and due diligence services are determined on a case-by-case basis and are either a fixed fee or agreed upon hourly rates.
7. Hourly Rates. Fees for providing other Family Office Services are determined on a case-by-case basis and agreed upon by us and the client in writing in advance, and will be based upon the nature of work or scope of services, the sophistication of the services provided, the professional level of personnel required, and the resources required for performing such services. Such services will be performed in accordance with the following hourly rates or as otherwise agreed upon by us and the client in writing.

Client Director	\$600.00
Senior Family Wealth Director	\$450.00
Family Wealth Director	\$375.00
Family Wealth Administrator	\$180.00
Family Office Analyst	\$120.00

We may, in our sole discretion, adjust these hourly rates based on other fees already paid by the client, the level of other services being performed by us on behalf of the client, or as we determine from time to time.

#### **Grandfathering of Fee Arrangements**

In limited circumstances, clients with accounts that were in place before the current fee schedule are charged fees in accordance with the fee schedule in effect at the time the client entered into the

advisory relationship with us and in accordance with the terms of their investment advisory agreement.

### **Other Fees and Charges**

All fees paid to the Firm for investment advisory services and family office services are separate and distinct from the fees and expenses charged by mutual funds, exchange-traded funds or other pooled investment vehicles, including but not limited to management fees, incentive fees, private fund expenses, mutual fund sales charges and expenses, and securities commissions.

In addition to the investment management fees and family office fees paid to us, clients will incur other fees, charges and expenses based upon the investments that we or the clients select. Such additional fees, charges and expenses include:

**Brokerage Commissions, Custodian Fees and Other Transaction Fees.** Clients must establish an account with Fidelity's Institutional Wealth Services, a division of Fidelity Brokerage Services LLC ("**IWS**") or another third-party custodian designated by the client and approved by us. Clients with accounts at IWS generally do not pay any brokerage commissions. However, as described in this **Item 5: Fees and Compensation**, clients participating in certain programs will incur all applicable fees, commissions, charges and other charges or expenses associated with the transactions within the client's account, including brokerage commissions, transaction charges, exchange fees, wire transfer charges, transfer taxes, odd lot differentials, non-activity fees, electronic fund processing fees and other related expenses. For clients with accounts at a custodian other than IWS, all brokerage commissions, custodial fees and service charges, stock transfer fees and other similar charges incurred in connection with transactions for the client's account will generally be paid out of the client's assets held at the custodian.

Clients investing in alternative investments are responsible for any associated custodial fees. In addition, certain of our investment adviser representatives also serve in the capacity as registered representatives of our affiliated broker-dealer, KPC, and may receive 12-1 fees. See **Item 12: Brokerage Practices**, below, for additional information on our brokerage practices.

**Mutual Fund, Exchange-Traded Funds and Pooled Investment Vehicles Fees and Expenses.** Fees paid for our advisory services are separate from and in addition to the fees and expenses that are charged to clients by mutual funds, exchange-traded funds or other pooled investment vehicles. Clients invested in these funds or investment vehicles are required to pay all fees and expenses applicable to investment in the funds or investment vehicles. These fees are described in each fund's or pooled investment vehicle's prospectus or offering documents and generally include a separate management fee (sometimes referred to as an expense ratio), fund expenses, and distribution fees. Clients are also solely responsible for additional charges imposed by third-parties incurred in connection with investments in mutual funds, exchange-traded funds or other pooled investment vehicles, which include, but are not limited to, management fees, 12b-1 and sub-transfer agent fees, administrative service and similar fees, transfer taxes, transaction fees, deferred sales charges, and redemption fees.

Annual fund management fees charged by third party fund managers generally range from 1% to 2%. However, certain funds that we invest the client's assets in invest in other funds

(referred to as a “fund of funds”). Clients that invest in fund of funds also bear a proportionate share of the fees and expenses of each underlying investment fund. Certain managers of funds in which we invest also charge performance fees, which typically range from 5% to 20% or more of the fund’s annual net profits. These fees reduce the client’s returns.

In addition, certain clients that are invested in pooled investment vehicles pay higher or lower fees than similarly situated clients that are invested in the same pooled investment vehicle. The amount of fees vary as a result of negotiations or other factors, including the particular circumstances of the client, the size and scope of the overall relationship, or as otherwise agreed with specific clients.

Structured Notes and other Alternative Investment Fees. Clients who participate in our Structured Notes Buying Program or that otherwise invest in alternative investments will pay additional fees on that portion of clients assets that are invested in structured notes or other alternative investments separate from and in addition to the investment advisory fee we receive for managing client accounts. These additional annual fees are generally 1%. For purposes of the fee calculation, we value the structured notes at the initial investment amount of each structured note investment, which can be higher or lower than the actual value of the structured note.

Insurance Fees and Expenses. From time to time, we exercise our discretionary investment management authority to purchase on behalf of clients private placement variable annuity or private placement life insurance products from third party insurance providers. If we purchase such insurance products for a client’s account, the client will incur a management fee from the third party insurance provider, which fee is separate from and in addition to the asset-based fee that we charge clients for performing investment management services. However, we will reduce the client’s asset-based fee by the amount of the management fee paid to the third party insurance provider so that the client does not pay any additional fees in connection with our decision to purchase such insurance products.

Separately Managed Account Program Fees. For client assets invested in the separately managed account program, clients are charged a single management fee based on the amount of assets under management, which fee is inclusive of all costs and fees for investment management services, brokerage services and custodial services. The management fee for the separately managed account program is payable quarterly in advance based on the average daily balance of the client’s account for the prior calendar quarter. Upon termination of the investment advisory agreement governing the investment of the client’s assets in a separately managed account program, the management fee will be prorated up to and including the effective termination date and any unearned portion of the prepaid management fee will be refunded to the client.

Sub-Adviser Fees. In certain instances, we delegate some or all of our investment authority to, or otherwise use the services of, third-party investment advisers, investment sub-advisers, investment managers, investment sub-managers and investment consultants (collectively, “Sub-Advisers”) to help manage a portion of the client’s assets. The client is responsible for paying any fees charged by Sub-Advisers, which fees are separate from and in addition to the asset-based fees paid to us for performing investment advisory services. If we retain a new or

replacement Sub-Adviser, we will inform the client of the fees payable to any such new or replacement Sub-Adviser within a reasonable time after the effective date of such retention or replacement. Pursuant to the terms of our investment advisory agreement, clients authorize the custodian to deduct any Sub-Adviser fees directly from the client's account based upon a statement sent by the Sub-Adviser to the custodian. In some instances, Sub-Advisers will invoice us for such fees and we will request that the custodian deduct the Sub-Adviser fee directly from the client's account for further remittance to the Sub-Adviser.

Fee Sharing Arrangements. In limited circumstances, we will enter into fee sharing arrangements with other investment managers in connection with certain designated funds for which we assist the investment managers in the development and financial seeding of the funds. Under the terms of these arrangements, we are compensated for our role in growing the designated funds through both a primary fee split arrangement and, as the aggregate net management fees of a fund attain certain specified levels, a secondary fee split agreement. As with other pooled investment vehicles, we also earn investment advisory fees or other fund-related fees based on clients that the third-party investment managers refer to us.

Keel Point Sponsored Vehicles. We act as an investment adviser or sub-adviser to certain pooled investment vehicles such as private investment funds, hedge funds and private equity funds ("Keel Point Sponsored Vehicles"). We charge clients that invest in Keel Point Sponsored Vehicles management fees or performance fees, or both. The amount and the structure of the management fee or performance fee varies from fund to fund and is set forth in the prospectus or other offering document for each fund. These management fees and performance fees are separate from and in addition to the asset-based fee that we charge clients for performing investment management services. Specifically, we will earn two separate fees from client assets invested in Keel Point Sponsored Vehicles: (1) an asset-based fee under our standard asset-based fee schedule; and (2) a management fee or performance fee payable as the investment adviser to the Keel Point Sponsored Vehicle.

Economic Interest Vehicles. From time to time, we also invest client assets in pooled investment vehicles where Keel Point is not the controlling investment manager but in which we have, in our capacity as a limited member, an economic interest in such investment manager ("Economic Interest Vehicles"). For any client assets invested in Economic Interest Vehicles, we receive a portion of management fees or performance fees, or both, based on our economic interest in the investment manager of such funds. These management fees and performance fees are separate from and in addition to the asset-based fee that we charge clients for performing investment management services and any fees charged by the underlying investment managers.

Co-Investment Management Fees. In the case of the investment management services we provide under co-investment management arrangements, including our co-investment management agreement with Lavaca Capital, LLC for the replicated structured note investment strategy, we are compensated based on a percentage of the assets co-managed by us and our co-investment manager. Accordingly, there is a financial incentive for us to recommend our co-investment managers over other third-party investment advisers who do not have an agreement with us. Similarly, there may be other third-party investment advisers and/or programs that could provide similar services to clients at a lower cost. We carefully discuss this potential conflict with each client so that the client can make an informed

decision on whether or not to invest in any co-investment strategies.

With respect to the co-investment management arrangement between us and Lavaca Capital, in which we serve as discretionary co-investment advisers to manage specific investable assets held by certain of our and Lavaca Capital's clients in accordance with the replicated structured note investment strategy, each of us and Lavaca Capital are entitled to a mutually agreed upon share of the annual fee payable from each client account, which will be computed and paid quarterly in advance as a percentage of the assets maintained by the client in the strategy. The fees charged the client in connection with the strategy are aggregate fees for services performed by both us and Lavaca Capital. Therefore, although clients will have no obligation to pay separate fees to us and Lavaca Capital under the replicated structured note investment strategy, clients who participate in the strategy will pay an annual fee for any portion of the client's assets that are invested in the strategy that is separate from and in addition to the investment advisory fee we receive for managing client accounts.

Compensation for the Sale of Mutual Funds and Other Pooled Investment Vehicles. The Firm and our financial advisors receive compensation for the sale of certain mutual funds and other pooled investment vehicles to clients. Such compensation creates an incentive for us and our financial advisors to recommend such investments based on the compensation received. As discussed above, the Firm or our affiliates receive shareholder service or 12b-1 fees from mutual funds as compensation for distribution and administrative services in connection with the sale of such products. Our recommendation of mutual funds and other investments where we share in the fees and profits result in additional compensation to us and our financial advisors. In such arrangements, payments to us generally increase as the amount of assets invested by clients in such mutual funds and other investments increases. This arrangement creates an incentive for us to recommend or select mutual funds or other investments that are advised, managed or sponsored by us. All of these fees, which range from 10 to 25 basis points, are disclosed in the prospectus or other offering document. Under no circumstances will we recommend funds where we receive a commission or front-end or contingent deferred sales charge.

Research and Development Costs. As noted herein, clients that invest in mutual funds, exchange-traded funds or other pooled investment vehicles will bear the expenses of the particular fund or vehicle. We may, however, in our capacity as investment manager or co-manager to the fund or vehicle, be reimbursed from the fund or vehicle certain expenses incurred by us in connection with research and due diligence performed by our principals and employees. Reimbursement will be at a fixed annual rate and will be disclosed to clients. Such expenses would have otherwise been borne by us if the assets were managed outside the funds. This creates a conflict of interest for us to encourage clients to invest in the funds. To address this conflict of interest, we have policies and procedures for reviewing and supervising investment recommendations to ensure that all recommendations are suitable for the client.

Consulting Services Fees. From time to time, we enter into consulting arrangements in which, for a mutually agreed upon fee, we recommend Keel Point products and strategies based upon the client's needs and objectives, including the selection and monitoring of investments made by the Keel Point Distressed Access Fund. The payment of consulting services fees is separate from and in addition to any fees that we receive for other services or products.

With respect to our performance of consulting services on behalf of the Keel Point Distressed Access Fund, we develop or have pre-existing business or personal relationships with certain underlying fund managers, underlying funds and/or their principals, employees, or investors. These relationships and any actual or perceived benefits accruing to the Firm can influence the selection of the underlying fund managers and underlying funds in which the Keel Point Distressed Access Fund invests. However, the general partner, in its capacity as manager of the Distressed Access Fund, and not us, has the legal authority to choose the underlying fund managers and underlying funds. In addition, our affiliated broker-dealer, KPC, will receive a portion of the management fee paid by certain limited partners of the Distressed Access Fund that are introduced by KPC, with such fee ranging from 20 to 25 basis points per annum.

Notwithstanding that the consulting service fee and the management fee from those limited partners are generated by separate and distinct investor asset bases The receipt by us and our affiliated broker-dealer, KPC, of a consulting service fee and a portion of the management fee from certain limited partners of the Distressed Access Fund are an incentive to launch the Distressed Access Fund due to the potential benefit of remuneration. In addition, the receipt of compensation paid to us and our affiliates can influence our recommendation of the Distressed Access Fund to our clients over other funds, collective investment vehicles or programs offering similar strategies, even if such other funds, vehicles or programs are offered for lower fees or have better performance results, or both.

### **Prepaid Fees**

The majority of our investment advisory agreements, including our family office services agreements, requires clients to pay for our investment advisory services quarterly in advance. Clients, however, have the right to terminate their investment advisory agreements without penalty within five (5) business days after entering into the agreement. In addition, either party has the right to terminate the agreement at any time upon thirty (30) days' advance written notice to the other party. Upon termination of the investment advisory agreement, fees paid in advance will be prorated up to and including the date of termination and any unearned portion will be refunded to the client.

However, reporting services fees, certain family office services fees and, in limited circumstances, investment advisory fees, are charged in arrears. Upon termination of any such agreements, we will calculate the fees due and payable up to and including the date of termination and deduct such fees from the client's account.

### **Other Compensation**

As described above, we created Keel Point Sponsored Vehicles in which we invest certain of our client's assets. In most cases, these entities are created to meet certain minimum investment requirements of hedge funds, private equity funds and other similar fund investments that we have determined would be suitable for clients. We or an affiliate acts as manager or co-manager for the Keel Point Sponsored Vehicles and, in such capacity, we receive a portion of the management fees, performance fees, or both, charged by the underlying funds or separate account manager.

In certain limited circumstances, we charge an additional management fee, performance fee, or both, to clients related to investment in Keel Point Sponsored Vehicles that is separate from and in addition to the fees charged by the underlying funds. However, in those cases, we do not share

in the management fee or performance fee of the underlying fund. In all instances, however, clients will be charged our standard investment advisory fee for management of the client's assets. These fee arrangements are disclosed in the relevant offering documents provided to clients and clients are required to consent to such arrangements.

Conflicts Presented by Additional Compensation Received by the Firm and its Personnel. By receiving Keel Point Sponsored Vehicle-related compensation, we and our employees have a conflict of interest because such compensation provides us with an incentive to recommend or direct clients to invest in these securities when there could be other more appropriate products. We address this conflict by performing a due diligence determination and adhering to our conflict policy.

In the event that we determine that the investment in a Keel Point Sponsored Vehicle is appropriate for any of our ERISA or individual retirement account clients, we or our affiliates may receive fees in accordance with the terms of ERISA Class Prohibited Transaction Exemption ("PTE") 77-4, issued by the U.S. Department of Labor. For purposes of complying with PTE 77-4, we will invest the assets of ERISA or individual retirement account clients in Keel Point Sponsored Vehicles based on our determination that such investment vehicles are appropriate for the client's investment objectives, risk tolerance, liquidity and diversification goals. In addition, ERISA and individual retirement account clients investing in Keel Point Sponsored Vehicles will not be charged any sales commissions (including 12b-1 fees) or undisclosed redemption fees, and the clients will not be charged both an investment advisory fee and a management fee for its investment in the Keel Point Sponsored Vehicle. We avoid charging these clients both investment advisory and management fees by either waiving our account-level investment management fee or charging the client an account-level fee but then providing a credit to the client for the client's pro rata share of investment advisory fees paid to us by the Keel Point Sponsored Vehicle.

Other Options for Clients. In lieu of purchasing Keel Point Sponsored Vehicles, clients have the option to purchase other securities products that we recommend through non-affiliated brokers or agents. These products would generally be publicly traded equity and fixed income securities, mutual funds, exchange traded funds, and private pooled investments.

Disclosure Regarding Compensation Received by the Firm and its Personnel. None of the Firm's revenue is from commissions and other selling compensation. However, certain of our employees are also registered representatives of our affiliated broker-dealer, KPC, and, in such capacity, receive selling compensation as described in this **Item 5: Fees and Compensation**.

Reduction of Advisory Fees for Commissions or Markups. In certain limited instances, such as in the case of ERISA clients, we reduce our investment advisory fees to offset any 12b-1 fees that we receive. However, under no circumstances do we charge ERISA or individual retirement account clients both investment advisory fees and commissions or other selling compensation. In addition, we do not generally receive any markups.

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

Except under limited circumstances and only when authorized pursuant to the terms of the client's investment advisory agreement, we do not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance-based fees) for

individual clients. Where the client and us agree to a performance-based fee arrangement, the terms of such arrangement are reflected in the client's investment advisory agreement. We also receive additional compensation related to performance for certain fund investments made by the Firm's clients that invest in affiliated investment fund vehicles as described in **Item 10: Other Financial Industry Activities and Affiliations**.

These fund investments create a conflict of interest because the additional compensation we receive provides an incentive for us to direct qualifying clients to invest in such fund investments based on our potential to receive a performance-based fee separate from and in addition to the asset-based fee we charge clients for managing their accounts, when another strategy or investment that does not pay a performance-based fee would be more appropriate. In addition, performance-based compensation provides us with an incentive to recommend a particular investment, when a lower risk investment that does not have a performance-based fee would be more appropriate.

We address this conflict by (1) analyzing whether a product is appropriate for a client without regard to whether we, or an affiliate, earn additional compensation for the transaction, (2) ensuring that alternative investments (including affiliated investment fund vehicles) are suitable for each client, (3) ensuring that these investments are long-term investments for which the Firm generally does not receive an ongoing management fee, (4) assessing if the terms of the affiliated investment vehicles are reasonable in comparison to other similarly structured third-party investment alternatives, and (5) providing clients with clear disclosure as to how the performance-based fee is calculated.

## Item 7. Types of Clients

We provide services to the following types of clients:

- Individuals, including high net worth individuals
- Pension and corporate retirement plans
- Trusts, estates and charitable organizations
- Corporations or other business entities
- Family offices

### Minimum Account Size and Account Opening Requirements

*Core Portfolio Strategies Program.* The minimum account size is \$50,000, but in some cases we are willing to accept a lower minimum.

*Standalone Tactical Program.* The minimum account size \$150,000, but in some cases we are willing to accept a lower minimum.

We have full discretion to allow or not allow exceptions for minimum account size requirements.

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

### Methods of Analysis

We provide investment advisory services to clients based on the individual needs, goals and objectives of each client.

We use a team-driven fundamental and quantitative process to create diversified long-term and tactical portfolios which meet clients' personal investment goals and objectives within the constraints of their risk tolerance, liquidity needs, time horizons, tax situations and investment restrictions.

We develop strategic and tactical asset allocations for clients based on analysis of short-term and long-term macro and microeconomic themes. Various methods of quantitative modelling are used to assure client portfolios are within predefined risk tolerances. We recommend, when deemed appropriate, Sub-Advisers for the management of a portion of client assets and, occasionally, co-advisers. We base these recommendations on a rigorous analysis of a wide universe of available managers. We evaluate managers' track records using robust statistical analysis and managers' skill based on a multi-step qualitative examination.

We assist clients in determining the appropriate asset allocation to achieve their investment objectives and then direct client assets into various investment vehicles, as appropriate, including, but not limited to: (i) individual securities; (ii) investment company securities (i.e., mutual funds); (iii) fund investments; (iv) Structured Notes; and (v) Keel Point Sponsored Vehicles. In addition, the Firm advises clients on where best to locate these investment vehicles, whether in qualified or non-qualified accounts, and how to most effectively transition from their current portfolio to a recommended target portfolio.

As part of the investment advisory services, the Firm also creates and manages various strategic investment portfolios and programs designed to achieve specified investment objectives within predefined risk parameters. A portion of client portfolios can be allocated to one or more of these investment strategies if the related allocations are deemed to be consistent with client investment objectives and risk tolerances. In some cases, the Firm will recommend that a substantial portion of a client's investment portfolio be allocated to one strategic investment portfolio. The Firm monitors the performance of all client portfolios, including the performance of the recommended investment vehicles.

In addition to our qualitative research and quantitative tools, we use many other sources of information for evaluating portfolio performance include Bloomberg, Value Line, and news services, general economic, market and financial information, financial newspapers, third party research materials, inspection of corporate activities, prospectuses, and Securities and Exchange Commission filings.

### **Investment Strategies**

All of our Programs use statistical modeling in an effort to ensure that each of the portfolios represented in the various Programs stays within defined risk parameters associated with the designated strategic investment objectives for each portfolio. In addition, the investment framework used for each Program offers each of the portfolios in the Program the latitude to be periodically overallocated to specified market segments that are performing well and defensively repositioned during periods of prolonged market stress.

**Core Portfolio Strategies Program.** The Firm manages four portfolios of equity, fixed income and alternative investments within its Core Portfolio Strategies Program. These investments are either exchange traded or traded at NAV on a daily basis and generally provide passive exposure to market segments. The four portfolios in this Program have different asset

allocations designed to achieve different investment objectives and levels of risk. The portfolios are consistently positioned in diversified equity, fixed income and alternative investment exposure consistent with predefined risk parameters.

**Fund Strategies Program.** The Firm manages four portfolios of equity, fixed income and alternative investments within its Fund Strategies Program. These investments are either exchange traded or traded at NAV on a daily basis and include both active and passive exposure to market segments. The four portfolios in this Program have different asset allocations designed to achieve different investment objectives and levels of risk. The portfolios are consistently positioned in diversified equity, fixed income and alternative investment exposure consistent with predefined risk parameters.

**Multi-Asset Program.** Under the Firm's Multi-Asset Program, we manage four portfolios of equity, fixed income and alternative investments. These investments are either exchange traded or traded at NAV on a daily basis and include both active and passive exposure to market segments. The four portfolios have different asset allocations designed to achieve different investment objectives and levels of risk, as well as tactical allocations that reflect recent market trends and market volatility. With respect to each portfolio, at least 60% of the portfolio is consistently positioned strategically in diversified equity, fixed income and alternative investment exposure consistent with predefined risk parameters, while up to 40% of the portfolio is invested in tactical allocations, which are actively repositioned within targeted sectors of the capital markets exhibiting relative performance strength. Potential tactical allocations are identified using both internal and external quantitative models, as well as the Firm's qualitative assessment of global capital markets. The Multi-Asset Program is designed to experience higher turnover than the Funds Strategies Program. Depending on market conditions, the tactical feature within the Multi-Asset Program can lead the portfolios in the Program to have significantly different risk characteristics than the Fund Strategies Program.

**Standalone Tactical Program.** Under its Standalone Tactical Program, the Firm manages a tactical portfolio that reflects recent market trends and market volatility, which is actively repositioned within targeted sectors of the capital markets exhibiting relative performance strength, with the identification of potential tactical allocations occurring using both internal and external quantitative models and the Firm's qualitative assessment of global capital markets. The Program is designed to experience higher turnover than our other investment programs. Depending on market conditions, the portfolio utilized under this Program can have risk characteristics that are significantly different from our other investment programs.

**Keel Point Income Strategies Program.** The Firm manages an income focused portfolio of equity, fixed income and alternative investments within its Income Strategies Program. In addition to investments that are exchange traded or traded at NAV on a daily basis, the Income Strategies Program can use investments that cannot be sold daily (e.g., interval funds). The portfolio used in this Program has asset allocation targets intended to achieve a conservative risk level and, therefore, is consistently positioned in diversified equity, fixed income and alternative investment exposure with a significant tilt toward assets that generally make significant distributions.

**Keel Point Advisor Strategies Program.** The Firm manages four portfolios of equity, fixed income and alternative investments within its Advisor Strategies Program. In addition to

investments that are exchange traded or traded at NAV on a daily basis, the Advisor Strategies Program can use investments that cannot be sold daily (e.g., structured notes and interval funds). The four portfolios used in this Program have different asset allocations designed to achieve different investment objectives and levels of risk. Each of the portfolios is consistently positioned in diversified equity, fixed income and alternative investment exposure consistent with predefined risk parameters.

**Keel Point Enhanced Strategies Program.** The Firm manages four portfolios of equity, fixed income and alternative investments within its Enhanced Strategies Program. In addition to investments that are exchange traded and traded at NAV on a daily basis, the Enhanced Strategies Program can use investments that cannot be sold daily (e.g., structured notes and interval funds) and investments that can only be accessed by Accredited Investors (e.g., hedge funds). The four portfolios used in this Program have different asset allocations designed to achieve different investment objectives and levels of risk. Each of the portfolios is consistently positioned in diversified equity, fixed income and alternative investment exposure consistent with predefined risk parameters.

**Keel Point Large Cap Growth Strategies Program.** The Firm manages a portfolio of U.S. large capitalization equities (and ADRs) that are benchmarked to the S&P 500 within its Large Cap Growth Strategies Program. All of the investments used in this Program are exchange traded. The portfolio in this Program is designed to achieve equity market-like risk, however, the Program can include tilts away from benchmark weights.

**Replicated Structured Note Investment Strategy.** We co-manage a portfolio of exchange-traded funds and options that involves buying and selling derivatives written on those securities to replicate the return of a structured note program. Although investment options and types of investment utilized will vary, as a replication strategy, the portfolio is designed as a substitute to purchasing structured notes with the aim of mimicking the returns of a structured note program with potentially comparatively lower costs and risks.

**Faith Driven Investment Covered Call Strategy.** Utilizing the Eventide Gilead Separately Managed Account equity strategy, we co-manage a covered call strategy which involves the execution of equity investments in accordance with the model equity portfolio delivered by Eventide, and the corresponding execution of a series of covered call options on such equity investments. This Covered Call Strategy is designed to use the sale of call options to generate income on the Eventide Gilead's equity holdings, with typical call option tenors of 30-60 days.

### **Material Risks Associated with Our Investment Strategies**

All investments in securities and investment programs have certain risks that are borne by the investor, including a risk of loss of an investor's principal and any profits that have not been realized. Our investment approach constantly keeps the risk of loss in mind and seeks to match your investment objectives and risk tolerance with the appropriate investment strategy. Generally, you must invest in securities that have a higher risk of loss in order to obtain a higher potential for long-term gains. However, there is no guarantee that our investment strategies will meet your objectives or protect the assets in your account from losses. Depending on the type of securities you invest in, your account will be subject to one or more of the following investment risks:

Interest-rate Risk. Fluctuations in interest rates can cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk. The price of a security, bond, or mutual fund can drop in reaction to tangible and intangible events and conditions and, therefore an account's investment value can decline due to changes in general economic, political, social and market conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances.

Inflation Risk. When any type of inflation is present, purchasing power will erode at the rate of inflation.

Currency Risk. Foreign (non-U.S.) investments are subject to fluctuations in the value of the dollar against foreign currencies, which is also referred to as exchange rate risk.

Reinvestment Risk. This is the risk that future proceeds from investments will have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk. These risks are associated with a particular industry or a particular company within an industry. The performance of the company and/or the industry can carry a higher risk due to potential reversals in profitability. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. Therefore, oil-drilling companies carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity irrespective of the economic environment.

While the Firm's investment approach is to provide managed risk management services, you should be aware that investments increase or decrease in value and that each strategy's past performance is no guarantee of future results. As described below, certain investments carry additional risks that will not be present in other investments:

Private Fund Investments. Investments in private funds contain certain risks. They are generally outlined as follows:

1. Liquidity. We cannot guarantee our ability to redeem client assets from a private fund in a timely manner. Partnership and LLC member interests are not easily transferable, even on the secondary market, and are subject to redemption limitations.
2. Transparency. We are limited in our ability to monitor the investment activities of private funds. Advisers to private fund investments do not always provide detailed information on their portfolio positions and, therefore, you will not be able to objectively assess the risk of such underlying fund investments.
3. Side letters. Certain investors get preferential treatment in the areas of liquidity, transparency and fees.
4. Reliance on Key Personnel. Most fund advisers are dependent on the services of a small number of key technical and management personnel and loss of their services could have a material adverse effect on the fund's performance and, due to lock-up provisions, you could be restricted from exiting the fund in a timely manner.

5. Similar Funds. Investment managers often advise similar funds and, subject to the fee structures for those funds, the investment managers can allocate certain limited investment opportunities to funds generating higher fees for the investment manager.
6. Valuation. We rely upon the investment managers of private funds to provide accurate valuation information pertaining to our clients' capital balances. We generally have limited information regarding the holdings of the private funds in which client accounts are invested and are normally unable to independently verify valuations provided by the managers to these private funds.
7. Leverage. Certain funds use leverage (borrowed funds) to increase their securities holdings, which will magnify both gains and losses by the amount of the leverage.
8. Lack of Regulatory Oversight. Private funds typically operate under one or more exemptions from registration with the applicable regulatory authorities. Additionally, certain investment managers to private funds are exempt from registration with the applicable regulatory authorities. Accordingly, private funds and their managers are often subject to little, if any, direct scrutiny from any regulatory authority.
9. Return of Balances Previously Redeemed. Under extraordinary circumstances, following a redemption from a private fund, the client may be required to return all or a portion of the redemption proceeds it received from the private fund to such private fund. For instance, if the private fund later determines that its NAV was previously misstated, a client will be required to return the applicable portion of the redemption proceeds to the extent required by applicable law or the private fund's organizational or offering documents. Other circumstances, such as indemnification obligations, could also require a client to return the proceeds to a private fund.

The specific risks associated with the funds are outlined in the private placement memoranda for the funds.

Structured Notes. Structured notes are complex instruments. Although an investment in structured notes is aimed at reducing volatility in client portfolios, investing in structured notes involves a certain degree of risk, including:

1. The performance of the notes is related to the performance of the underlying indexes (i.e., equities, commodities, etc.). Clients should understand the reference asset(s) or index(es) and determine how the note's payoff structure incorporates such reference asset(s) or index(es) in calculating the note's performance. If the underlying index were to decline one hundred percent (100%), a client can lose its entire investment.
2. Structured notes are unsecured debt obligations of the issuer and are not insured by the FDIC or any other agency of the federal government. Therefore, the payment of any amount due at maturity is subject to the issuer's ability to pay its obligations when they become due.
3. The notes are not listed on any securities exchange and, therefore, the ability to trade or sell structured notes in a secondary market is often very limited. Issuers often disclaim their intention to repurchase the notes they issue. Clients should be prepared to hold a structured note to its maturity date, or risk selling the note at a discount to its value at the time of sale.

4. The notes do not pay interest or dividends and, therefore, do not offer inflation protection.
5. The issuer or its affiliates also perform other functions in connection with the issuance of the notes. In performing these duties, the economic interests of the issuer could potentially be adverse to the client.
6. Certain notes are callable by the issuer, meaning that the issuer can choose to redeem the notes prior to maturity. In such a case, a client will not receive gains that arise after the note has been redeemed and may not be able to reinvest their money at the same rate of return provided by the structured note that the issuer redeemed.
7. Structured products frequently limit the upside participation in the reference asset or index and, therefore, certain notes limits the potential payment at maturity, regardless of the appreciation of the underlying index.

Mutual Funds. We invest client funds in mutual funds, some of which are highly specialized. Mutual fund investing involves risk, some of which are described below:

1. Stock market performance risk. The risk that stock, bond, or commodity prices overall, will decline. Investment returns will fluctuate and are subject to market volatility, so that an investor's shares, when redeemed or sold, will be worth more or less than their original cost.
2. Manager risk. The risk that poor security selection or focus on securities in a particular sector, category, or group of companies will cause the mutual fund to underperform relevant benchmarks or other funds with a similar investment objective. Investors cannot influence the securities bought and sold, or the timing of transactions.
3. Non diversification risk. The risk that a fund's performance will be adversely affected disproportionately by the poor performance of relatively few stocks or even a single stock. Certain funds are non-diversified, which means that they invest a greater percentage of their assets in the securities of a small number of issuers as compared with other mutual funds.

A detailed description of the risks is contained in each mutual fund's prospectus. Clients should carefully read each mutual fund's prospectus.

## **Item 9. Disciplinary Information**

Registered investment advisers are required to disclose in their Disclosure Brochures all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of the advisory firm or the integrity of its management. We have no such material events to disclose.

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

In some cases, our representatives also represent our affiliates or third parties as insurance agents, broker-dealer representatives, or both. Some of our representatives and other employees also sell insurance products, hold licenses as insurance agents of our affiliate, KPIA, and represent one or more unaffiliated insurance product providers. Some of our registered representatives and other

employees also act as registered representatives of our affiliate, KPC. KPC is a registered broker-dealer with the SEC and a member of FINRA. The activities conducted by our employees as insurance agents and broker-dealer representatives of our affiliates create certain conflicts of interest.

Clients Can Open NFS Accounts Through Our Employees Representing Keel Point Capital. KPC provides a variety of execution and other brokerage services to clients that are clients of both the Firm and KPC on a fully disclosed basis through its clearing broker, NFS. NFS is not affiliated with us or KPC.

Clients Can Conduct Unrelated Transactions Through Our Employees Representing Keel Point Capital. Certain of our clients use the services of KPC for transactions outside of the client's investment management account maintained with us. In those cases, our representatives who are registered representatives of KPC will recommend securities or other products and will receive customary commissions or other compensation if such products are purchased through KPC. The Firm does not act as a custodian of client assets. The client always maintains asset control. The Firm can place discretionary trades for clients under a limited power of attorney. KPC shares office space and certain overhead expenses with the Firm, and, in some cases, our officers and investment adviser representatives also represent KPC as broker-dealer representatives. In addition, as authorized by the client's investment advisory agreement, the Firm directs a material percentage of client transactions to KPC. Where transactions are effected through KPC, KPC will act on an agency basis to the extent permitted by law and will be entitled to compensation consistent with the customary and prevailing compensation that KPC receives for similar services in the ordinary course of KPC's business.

Clients Can Purchase Insurance Products Through Our Employees Representing Keel Point Insurance Advisors. Certain of our clients purchase insurance advisory services, including insurance products, from KPIA. In such cases, KPIA will receive customary commissions or other compensation on insurance products sold to the Firm's clients.

This relationship creates a conflict of interest because we will occasionally recommend insurance products to clients for which KPIA receives a commission, when a more appropriate or less expensive product is available from an unaffiliated third party. This conflict is addressed by analyzing if the insurance product is consistent with the client's investment objectives and financial situation without consideration of the compensation that will be earned by our affiliate, KPIA.

Clients Can Be Owners Of Our Firm. Certain clients of our Firm are also owners of our parent, KPP, which creates a conflict of interest that, in certain instances, results in such clients attempting to unduly influence our management decisions, including decisions related to reduced fee structures and allocation of limited investment opportunities. We address this conflict by maintaining and conducting a conflicts review process, which is administered by our Conflicts Resolution Committee.

### Keel Point Sponsored Vehicles; Co-Investment Management Vehicles

In addition, as described below, we solicit certain clients to invest in partnerships or funds in which we or one of our affiliates acts as a manager or co-manager.

The *Keel Point Distressed Access Fund, LLC* invests in two (2) distressed private equity funds. We act as the manager of the Distressed Access Fund and, in accordance with the operating agreement of the Distressed Access Fund, are entitled to receive an annual carried interest payment of five percent (5%) upon investors earning a specified preferred return on their investment. We no longer charge a management fee for the Distressed Access Fund.

The *Replicated Structured Note Investment Strategy* invests in exchange-traded funds and options and derivatives securities to replicate the return of a structured note program. The *Faith Drive Investment Covered Call Strategy* invests in equity investments and covered call options to generate income on the Eventide Gilead's equity holdings. We, along with Lavaca Capital, act as co-managers and co-investment advisers in administering both of these strategies. As co-managers, we share investment advisory fees with Lavaca Capital for client investments in this strategy, including an annual management fee that is separate from and in addition to the asset-based fee that we charge the client for managing its account. The receipt of the additional fee creates a conflict of interest and gives us an incentive to recommend either Strategy based on the compensation received, rather than on the client's needs. The fee arrangement and conflict of interest are fully disclosed to each client before they invest in either Strategy.

The *Keel Point Tactical Alpha Fund, LP* invests in a portfolio of securities designed to exceed the market return of a balanced risk benchmark. This fund does not charge a management fee. However, it does charge a performance fee on net investment returns in excess of the benchmark. This fund may also invest a portion of its assets in a fund managed by an unaffiliated third party, in which case investors will pay a management fee to the third party manager.

### Other Affiliated Vehicles

We also solicit certain of our clients to invest in funds in which we or one of our affiliates maintains a minority economic interest in the fund's manager.

BlueArc Alternatives Fund (Quantitative Equity Series). The BlueArc Alternatives Fund, LLC, a Delaware series limited liability company, seeks to provide long-term capital growth and offers interests in one or more series to segregate the assets and liabilities of the Fund. BlueArc Alternatives Fund Management, LLC, the managing member of the Fund, retained BlueArc Capital Management, an SEC-registered investment adviser, and us, to act as co-investment managers for the Fund, with responsibility for implementing the Fund's investment approach. All purchasers of the Fund are provided with the Fund's private placement memorandum, a solicitation agreement and supplemental disclosures.

For our role as co-investment manager, we or an affiliate receive compensation separate from and in addition to the asset-based fee we receive for managing client accounts (**See Item 5: Fees and Compensation**). The receipt of this compensation creates a conflict of interest because we have a financial incentive to recommend that clients invest in this Fund over other similar funds, when the other funds may be more appropriate or less costly.

We address this conflict of interest by following a pre-determined process in an effort to ensure that our investment decisions, capital allocations, and recommendations for capital allocations are only after performing due diligence, including consideration of each client's investment objectives, risk tolerance, financial information and other factors we believe are relevant for making an informed and reasoned decision regarding the appropriateness of the investment, including the nature of, and the required steps to mitigate, the conflicts. We also perform ongoing due diligence on all funds to ensure maintaining such investments is appropriate for our clients, which includes conducting periodic reviews of client accounts. Depending on the circumstances, conflicts are referred to our Conflicts Resolution Committee and are otherwise subject to our conflicts review process.

Recommendations of Structured Notes Buying Program. For clients participating in our Structured Notes Buying Program, we charge an annual fee of 1% on the client's assets invested in the Program separate from and in addition to the asset-based fee we receive for managing the client's account. The receipt of the additional fee creates a conflict of interest and gives us an incentive to recommend the Program based on the compensation received, rather than on a client's needs. The fee arrangement and conflict of interest are fully disclosed to each client before they invest in the Program.

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

### **Code of Ethics**

As required by law, we have adopted a Code of Ethics ("Code") describing our standards of business conduct, establishing policies and procedures to handle potential conflicts of interest that arise from providing advisory services to our clients, and requiring our and our employees compliance with federal securities laws. Our Code recognizes that we are a fiduciary and acts as a reminder to employees that our responsibility to our clients is to provide effective and proper professional investment management advice based upon unbiased independent judgment.

Our Code is based upon the principle that our employees owe a duty of loyalty, fairness and good faith to our clients and to conduct activities in a manner to avoid (i) serving their own personal interests ahead of our clients' interests, (ii) taking inappropriate advantage of their position as an employee, (iii) any actual or potential conflicts of interest, or (iv) any abuse of their position of trust and responsibility. Also, our Code is designed to preclude activities which lead to, or give the appearance of, conflicts of interest, to protect our clients by educating our employees as to our expectations and the laws governing our business, and incorporating procedures that allow us to monitor employee activity for compliance with the Code.

Our Code also provides that no officer or employee is permitted to trade securities, either personally or on behalf of others, while in possession of material, non-public information with respect to any such securities, or communicate such information to others, other than as required or permitted by the Code.

To receive a copy of our Code, please contact the Firm's Chief Compliance Officer, Clint Ward, at (256) 704-0507.

**Participation or Interest in Client Transactions**

We and certain of our employees recommend certain securities, investment products and investment managers in which we, the employee, or a related person have a material interest, including those as disclosed above in **Item 5: Fees and Compensation** and **Item 10: Other Financial Industry Activities and Affiliations**.

In addition, a potential conflict of interest exists with respect to our investment of client assets in Northlane Capital Partners II, LP because two of Northland Capital Partners' principals are current Firm clients. However, other than advisory fees due and payable under our existing client advisory agreement, we do not provide to, or receive from, either of the principals, directly or indirectly, with any financial incentives related to our selection of Northlane Capital Partners as an investment.

**Personal Trading Activities of Advisory Personnel**

From time to time, our employees buy or sell securities for their own accounts that are also held, have been, or will be purchased or sold for the accounts of our clients. This represents a conflict of interest by creating opportunities for certain advisory employees to take advantage of the client by using the employee's prior knowledge to trade ahead of the client and potentially receive more favorable prices. To ensure that no employee prefers his or her own interest over our clients, our Code requires pre-clearance of all personal securities transactions with certain limited exceptions. In addition, on a periodic basis, supervisory personnel review the trading activity of employees to ensure compliance with the requirements of the Firm's trading policy.

**Item 12. Brokerage Practices**

In selecting brokers to effect portfolio transactions, we consider many factors in addition to and other than costs, including execution capabilities, speed, efficiency, familiarity with potential purchasers or sellers, confidentiality, the financial strength and stability of the broker, products or services offered by the broker that will benefit our clients, and other considerations that we consider relevant. We recommend, and the majority of our clients elect, to use IWS as their custodian and to execute the trades we advise or recommend. Clients electing to use IWS do not pay any commissions or transaction costs on most securities transactions. However, our clients retain sole authority to select a different or additional custodian for their accounts.

**Research and Soft Dollar Benefits**

The Firm does not enter into formal soft dollar arrangements. However, from time to time and to the extent permitted under applicable law, we will use investment products that provide us with unsolicited research and other investment or market-related information that assists us in performing our investment decision-making responsibilities on behalf of our clients. The Firm does not select particular investment products to receive such research and other investment or market-related information.

The Firm's relationships with brokerage firms that provide such services to us at no cost benefits us because we do not have to produce or purchase these services separately. Therefore, the receipt of such services can influence, or be perceived as influencing, our decision to allocate brokerage business to those firms to execute client transactions based on our interest in continuing to receive

such services that benefits our business rather than based on the interests of our clients receiving the most favorable execution of client transactions.

We examined this potential conflict of interest when we chose to enter into the relationship with IWS and we have determined that our relationship with IWS is in our clients' best interests and satisfies our obligations to our clients, including our duty to seek best execution, particularly because we pay all transaction costs on client trades with those brokers.

Except as otherwise disclosed above in **Item 5: Fees and Compensation**, our clients do not pay brokerage commissions or transaction costs to IWS for trades we advise or recommend. In addition, in recognition of our duty to obtain best execution, we systematically and periodically review our policies regarding broker selection for all of our investment programs. For instance, we have established a Best Execution Committee consisting of members from portfolio management, trading and compliance, the purpose of which is to review the quality of execution and brokerage allocation activities by the Firm.

On a daily basis, we review the trade blotter and, on a semi-annual basis, the Best Execution Committee reviews the execution of trades. The Best Execution Committee has also established guidelines for selecting brokers for trading purposes and, as noted above, will not select a broker based on our receipt of research from the broker or any other soft dollar arrangement.

#### **Brokerage for Client Referrals**

We do not enter into client referral arrangements in exchange for selecting or recommending or directing client transactions to broker-dealers.

#### **Directed Brokerage**

We do not generally recommend clients to direct brokerage to particular broker-dealers. However, for certain types of securities and options investments selected by clients, we will direct clients to use our affiliated broker-dealer, KPC. The commissions and transaction fees charged by KPC may be higher or lower than what other broker-dealers charge and this practice could cost clients more money. However, as stated herein, we generally recommend that client transactions be effected through IWS pursuant to the discretionary brokerage authority granted to us by our clients. However, from time to time, clients will direct us to effect securities transactions through a particular broker-dealer.

Where a client directs us to use particular broker-dealers, it is the client's responsibility to negotiate commission rates on transactions executed through such broker-dealers, and we are not responsible for and do not evaluate the brokerage services provided to the client, the execution quality or the commission rates paid by the client. As a result of such direction, a client can lose possible advantages including the following:

1. We will not have the ability to negotiate prices and obtain best execution for such trades. Therefore, engaging in directed brokerage can cost clients more money through higher commission rates than those paid by our other clients or less favorable pricing, resulting in a less favorable trade execution.
2. Directed brokerage accounts are not able to participate in aggregated transactions in which we batch client transactions with orders for other accounts that we manage,

which can preclude directed brokerage accounts from obtaining volume discounts or more favorable terms that might be available for aggregated transactions.

We believe the execution of transactions for our clients through KPC brings value to the management relationship because of a commission discount and other valuable brokerage services offered through NFS. We do not receive any payments from KPC for the placement of business through KPC. However, KPC and us jointly market services together.

### **Trade Aggregation**

As a part of our efforts to obtain best execution, negotiate favorable commission rates, or allocate equitably among clients differences in prices and commissions, we sometimes aggregate orders or use a block trade for several clients. If trades are not aggregated, it can impact execution and price, with certain clients getting better pricing than others. We effect block trade transactions in a manner designed to ensure that no participating client is favored over any other client. Specifically, under this procedure, transactions are averaged as to share price and costs and allocated among clients participating in the trade on a pro rata basis. We typically make allocations at approximately the time of execution and before the end of the trading day. In unusual circumstances, we will make subsequent reallocations to address specific account restrictions or cash availability. Any client order partially filled will, as a general matter, be rewritten on the following day as a new order and allocated pro rata in proportion to each client's original order.

In all instances in which the Firm engages in trade aggregation, consistent with our fiduciary duty, we equitably allocate investment opportunities and trades among all participating client accounts. In doing so, we take into consideration the available cash in the client's account and the client's needs, suitability, investment objectives, restrictions and guidelines and other factors deemed appropriate in making investment allocation decisions. We conduct periodic reviews of client performance and purchase and sales reports to ensure that no client or group of clients is being systematically favored or harmed in the selection and allocation of investment opportunities.

The Firm does not participate in hot issues, including initial public offerings.

### **Institutional Accounts**

Unless requested by the client, we will not use KPC as a broker-dealer for executing transactions involving institutional accounts. However, unless instructed by the client to use a particular broker, we will select brokers for such accounts. In addition, we do not engage in any step-out trade arrangements.

### **Multi Asset Program and Fund Strategies Program**

We recommend that clients participating in the Multi Asset Program or the Fund Strategies Program maintain their accounts at our affiliate, KPC. Because we and KPC are affiliated, we have conflicting interests, loyalties and responsibilities when deciding to direct transactions to KPC for execution. In those instances in which KPC is the executing broker or dealer for the client's account, to the extent permitted by law and approved by the client, KPC will act on an agency basis in connection with the execution of the transaction and will be entitled to compensation consistent with the customary and prevailing compensation that KPC receives for similar services in the ordinary course of its business. In addition, any commissions, mark-ups or other costs incurred from third parties in connection with any such transaction will be passed through to the account and incurred by the client. The benefit of maintaining such accounts at KPC is that all brokerage

and custodial costs are included in the fee charged by the Firm. However, KPC may receive a fee from its clearing firm for balances held in client money market accounts, and thus has a conflict of interest in recommending NFS as a custodian of client assets. Also, NFS does not charge a custodian fee to KPC or the client for accounts that they serve as custodian.

## **Item 13. Review of Accounts**

### **Review of Client Accounts**

We perform a comprehensive review of client accounts at least once per quarter to determine whether, based on the client's Investment Policy Statement, the investment strategy that we are using is consistent with the client's goals, objectives and risk tolerance, and to monitor the performance of the account including the individual holdings in the account. We perform more frequent reviews of accounts when significant changes in the market occur or if we become aware of significant changes in a client's financial or other circumstances.

### **Client Reports**

**Periodic Statement Provided by Custodian.** Clients will receive quarterly or monthly statements from their designated custodian showing all transactions that occurred in the client's account during the period covered by the account statement and the market value of securities held in the account at the end of the period covered by the account statement.

**Other Reports.** In addition to the periodic statements provided by the client's designated custodian, we provide clients with written quarterly reports showing the performance of their account in relation to appropriate indices for the period covered by the report, which will include a list of the client's holdings with valuations and the quarterly adviser management fee. Upon request, clients can receive the report on a more frequent basis than quarterly. We recommend that clients promptly and carefully compare the statements provided by their designated custodian with the statements and reports provided by us and to promptly notify us in writing of any errors or discrepancies.

For clients receiving financial planning services, we will provide reports according to the level and purpose of planning requested by the client.

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

### **Economic Benefits from Third Parties**

As described in **Item 5: Fees and Compensation** and **Item 10: Other Financial Industry Activities and Affiliations**, above, we, our affiliates and our investment adviser representatives, receive commissions and other compensation from unaffiliated investment advisers, broker-dealers and other third parties. These arrangements, how they benefit us, and the related conflicts of interest are described in **Item 5: Fees and Compensation** and **Item 10: Other Financial Industry Activities and Affiliations**.

We receive economic benefits from our custodian, IWS, typically in the form of products and services that IWS makes available to investment advisers whose clients maintain their accounts with IWS. The actual products and services that we receive that benefit us and the potential conflicts of interest are fully described in **Item 12: Brokerage Practices**.

### **Referral Arrangements**

We will from time to time enter into solicitor arrangements with third parties to refer clients to us. Under these arrangements, we pay these third parties a percentage of the management fee for soliciting clients. All of these solicitor arrangements are conducted in accordance with applicable law and regulation, including Rule 206(4)-3 under the Investment Advisers Act of 1940 (the “Advisers Act”).

### **Compensation to Our Employees**

Under certain circumstances, our representatives and employees of our affiliates receive a portion of some or all of their compensation in the form of cash referral fees. These fees are generally calculated as a percentage of the investment advisory fees generated from the assets referred to by the party and will vary dependent upon the product or service involved. Under no circumstances will the compensation paid for providing referrals result in any additional fees or charges to the client being referred.

Certain of our investment adviser representatives are also registered representatives of KPC and receive referral or other compensation in connection with services provided to our clients by KPC. Our investment adviser representatives will recommend to their clients the services of KPC and such employees, in their capacity as registered representatives of KPC, will receive compensation in connection with securities transactions performed on behalf of our clients.

From time to time, our investment adviser representatives also recommend to their clients the services of our affiliated insurance agency, KPIA. KPIA will receive insurance commissions as a result of such referrals.

The Firm’s affiliation with KPC and KPIA, and the potential referral compensation which our investment adviser representatives receive, represents a potential conflict of interest in that such factors provide an incentive for our investment adviser representatives to refer potential clients to KPC or KPIA rather than unaffiliated service providers. However, KPC and KPIA, and not the referring representative or the Firm, is solely responsible for determining whether the potential client satisfies the applicable eligibility criteria and whether to accept the clients.

In addition, we and our investment adviser representatives refer our clients to a variety of affiliated and non-affiliated investments funds. In addition to the advisory fees we receive for managing our client’s account, we or an affiliate receive compensation related to our client’s investment in such investment funds, including management fees, performance fees, shareholder service or 12b-1 fees. These investment funds and fees are described in **Item 5: Fees and Compensation** and **Item 10: Other Financial Industry Activities and Affiliations**.

### **Other Compensation and Benefits**

From time to time, we receive or have access to free or discounted industry information, online access to client accounts for trading or administrative purposes, and other non-research services from broker-dealers or third-party providers. In addition, occasionally, our affiliate KPC or its clearing firm, NFS, provide us with a newsletter or other publications pertaining to compliance, marketing, practice management or other relevant industry topics. In addition, IWS or NFS or other related or unrelated parties occasionally sponsor events, such as workshops or conferences, at reduced cost or no cost. These benefits are not based on us giving particular investment advice, such as buying particular securities for our clients. Under no circumstances do any clients pay

additional fees or commissions to any custodian or broker-dealer in exchange for us receiving these products or services.

### **Item 15. Custody**

All assets of client accounts are required to be held at a third-party qualified custodian. Neither the Firm nor KPC are a qualified custodian. Although not required, we recommend that clients use IWS as their qualified custodian. Clients, however, are permitted to designate another qualified custodian in lieu of, or in addition, to IWS, to serve as custodian of the assets in their account.

The designated qualified custodian holds all client account assets and will provide account statements to the client directly, at least quarterly. Clients should promptly and carefully review the account statements. In addition to the account statements provided by the designated custodian, we provide clients with quarterly statements and performance reports.

We urge clients to compare the account statements received directly from the designated custodian with the quarterly statements and performance reports provided by us and promptly notify us in writing if there are any errors or discrepancies. In addition, we will periodically confirm that the qualified custodian is providing clients with monthly account statements on a timely basis.

Under normal circumstances, we do not permit our employees, agents or representatives to accept or maintain custody of client assets. However, in limited circumstances, we will be deemed to have custody as a result of (i) related persons serving as the general partner to certain private funds, including the Keel Point Distressed Access Fund and Keel Point Tactical Alpha Fund, or (ii) the Firm serving in the capacity of trustee for certain client accounts. However, in all instances in which the Firm is deemed to have custody of client funds or securities, we have adopted appropriate policies and procedures and perform reviews to ensure that our policy is properly implemented.

### **Item 16. Investment Discretion**

We accept discretionary investment authority to manage our clients' investment management accounts. Prior to our exercising such investment discretion, our clients must grant us such authority by executing an investment advisory agreement. As part of the terms of the agreement, the Firm will have full discretion to supervise, manage, and direct a client's investments, as agent and attorney-in-fact, with full power and authority to purchase, sell, reinvest, exchange, convert, trade in and otherwise deal with the client's assets, place all orders for the purchase or sale of securities for the client's account with brokers or dealers selected by us, and execute any documentation that we deem necessary or advisable in carrying out the terms of the investment advisory agreement.

Although the investment advisory agreements grant us the authority, without obtaining specific client consent, to make investment decisions on behalf of clients, we do so in a manner consistent with the client's investment objectives, assets available for investment, and risk tolerance. Clients have the right to place restrictions and limitations on our authority through client-imposed investment objectives, limitations and parameters.

## Item 17. Voting Client Securities

The level of discretion and the authority that we exercise over proxy voting will depend on the nature of your account.

With respect to accounts for which we maintain discretionary investment management authority, unless the client designates otherwise, we will have the authority to vote proxies for securities and to act in connection with a proposed subscription right, tender right, rights offering or similar corporate action relating to securities held in the client's account. For client accounts that are an ERISA Plan, the client has the right to direct us not to vote proxies for securities held in the account if such right to vote proxies has been expressly reserved to the Plan's trustees or another named fiduciary.

We have adopted and implemented written policies and procedures for voting proxies on behalf of our clients to comply with the provisions of Rule 206(4)-6 under the Advisers Act. In adherence with the requirements of the Rule, we have adopted a policy designed to ensure proxies are voted in the best interest of our clients. To provide consistency in our voting of proxies on behalf of clients, we have engaged Institutional Shareholder Services ("ISS"), a third-party proxy corporate governance research service, to assist in analyzing proxies and to perform certain voting functions for client accounts. We have determined that ISS's Proxy Voting Guidelines are designed to further the interest of clients and, therefore, have directed ISS to vote client proxies in accordance with its Proxy Voting Guidelines. These Guidelines address a broad range of issues, including board size and composition, executive compensation, anti-takeover proposals, capital structure proposals and social responsibility issues, and are intended to be general voting parameters on issues that arise most frequently. We monitor ISS's voting of proxies and periodically review the Guidelines to ensure ISS's policies align with the best interest of our clients.

If a client wishes to direct a vote in a particular solicitation, the client must contact us at least one week in advance of the vote date to discuss details of the vote. In addition, clients have the right to choose to retain the right to vote proxies for investments held in their accounts. If a client has retained the right to vote proxies for investments held in their account, those clients should receive their proxies from the qualified custodian that maintains their account. These clients should contact their qualified custodian with any questions about a particular proxy or action.

We seek to ensure that proxies are voted in the best interest of our clients and not as the product of a conflict of interest. We identify any conflicts that exist between our interests or the interests of our employees and the client by reviewing our relationship with the issuer of each security in an effort to determine if we or any of our employees has any financial, business or personal relationship with the issuer. If a material conflict of interest exists, our Chief Compliance Officer and Chief Operating Officer will determine whether it is appropriate to disclose the conflict to the affected client, to give the affected client an opportunity to vote the proxy itself, or to address the voting issue through other objective means, such as voting in a manner consistent with a predetermined voting policy or pursuant to an independent third-party voting recommendation.

Clients can obtain a copy of the Firm's proxy voting policy, including a report of how we have voted proxies affecting our clients' accounts, by submitting a request, in writing, to:

Clint Ward, Chief Compliance Officer  
100 Church Street SW, Suite 500  
Huntsville, AL 35801

### **Item 18. Financial Information**

We do not require or solicit prepayment of more than \$1,200.00 in fees, six (6) months or more in advance. Therefore, we are not required to provide a balance sheet with this Brochure.

We do not have any financial condition that is likely to impair our ability to meet our contractual commitments to our clients, and we have never been the subject of a bankruptcy petition.