



## Crescent Capital Consulting, LLC

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Form ADV- Part 2A

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**This brochure provides information about the qualifications and business practices of Crescent Capital Consulting, LLC. If you have any questions about the contents of this brochure, please contact us at (504) 207-8555 or Sheridan B. Grace at [SGrace@CrescentCapitalConsulting.com](mailto:SGrace@CrescentCapitalConsulting.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Any references to Crescent Capital Consulting, LLC as a “registered investment adviser” or being “registered” with the SEC or any state does not imply a level of training or skill.**

**Additional information about Crescent Capital Consulting, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Crescent Capital Consulting, LLC is 154925 and SEC file number 801-71795.**

**Item 2. Summary of Material Changes**

This is our Firm Brochure and disclosure document prepared according to the United States Securities and Exchange Commission's (SEC) current requirements and rules.

This Item will discuss specific material changes that are made to our Firm Brochure and provide clients with a summary of such changes.

Pursuant to the current SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures, if any, within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Since our last updating amendment filing in June 2020, we have added a tax return preparation division to our firm. We have also made other minor non-material changes throughout this document to enhance clarity and readability.

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**Item 4. Advisory Services**

Crescent Capital Consulting, LLC (“Crescent Capital” or “we”) was established in September of 2010 to provide a wide variety of investment management consulting services on a continuous basis for our clients. As of December 31, 2020, our firm provides consulting services for approximately \$1,306,981,673 in client assets and manages a total of \$1,203,134,532 in Regulatory Assets Under Management, including \$1,024,152,725 of discretionary Regulatory Assets Under Management and approximately \$178,981,807 of non-discretionary Regulatory Assets Under Management. The firm’s principal owners are Mr. Andrew Wisdom, Mr. Luis Zervigon and Rampart Investments, LLC. Headquartered in New Orleans, the firm was established as a fee-only consulting firm, which now provides research, education, decision support and advice to a broad array of institutional and high-net-worth investors through four distinct lines of business:

- Institutional Investment Management Consulting
- Private Wealth Management
- 401(k) and Retirement Plan Consulting
- Tax preparation, tax consulting & related services

**Institutional Investment Management Consulting Services include:**

- *Investment Policy Statement*
- *Asset Allocation Analysis*
- *Spending Policy Analysis*
- *Investment Manager Search and Evaluation*
  - *Recommendation or Selection of Third Party Investment Managers*
  - *Recommendation or Selection of Wrap Fee Programs*
- *Ongoing Performance Measurement*
- *Rebalancing Analysis*
- *Performance Attribution*
- *Investment Manager Style Analysis*
- *Fiduciary Education*
- *Staff Education*
- *Custodian Search and Evaluation*
- *Fee Negotiations*

Crescent Capital takes pride in serving our clients from the perspective of an objective, third-party consultant, thereby allowing us to concentrate on satisfying the needs of our clients. We do not have the distraction of any competing affiliated businesses. Every decision is designed specifically for the benefit of our clients. We believe it’s important for clients to know that the principles by which their advisors do business are both clear and deeply rooted within the company’s culture.

Our process is comprehensive, based on the input of seasoned consultants, and is an ongoing series of events. Yet each client relationship is unique, so there are no mass-produced solutions.

## Private Wealth Management

Private Wealth Management is an investment advisory discipline that incorporates financial planning, investment portfolio management and a number of aggregated financial services. High net worth individuals, small business owners and families who desire the assistance of a credentialed financial advisory specialist call upon wealth managers to coordinate retail banking, estate planning, legal resources, tax professionals and investment management. Crescent Capital's Investment Management Consultants include a Certified Financial Planner™ (CFP®)<sup>1</sup> who works to enhance the income, growth and tax favored treatment of long-term investors. One must already have accumulated a significant amount of wealth for wealth management strategies to be effective.

Crescent Capital offers Private Wealth Management services on either a discretionary or non-discretionary basis.

Private Wealth Management Services include:

- *Comprehensive Financial Planning including:*
  - *Recommendation and Selection of Third Party Investment Managers*
  - *Recommendation and Selection of Wrap Fee Programs*
- *Family Office and Trust Management*
- *Estate and Tax Planning Support*
- *Family Governance*
- *Next Generation Education*

Crescent Capital provides thoughtful, customized strategies for individuals and families, their family offices and business enterprises, charitable giving programs, and endowments and foundations, along with exceptional service from a team of talented professionals. Client portfolios are managed on a Consultant-by-Consultant basis according to the individual needs and objectives of each client, therefore portfolios, objectives and performance will vary among our clients.

## 401(k) and Retirement Plan Consulting

Crescent Capital Consulting's investment professionals assist 401(k) or retirement plan sponsors in conducting ongoing due diligence on the investment options offered by their plan.

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<sup>1</sup> The program is administered by the Certified Financial Planner Board of Standards Inc. Those with the CFP® designation have demonstrated competency in all areas of finance related to financial planning. Candidates complete studies on over 100 topics, including stocks, bonds, taxes, insurance, retirement planning and estate planning. In addition to passing the CFP® certification exam, candidates must also complete qualifying work experience and agree to adhere to the CFP Board's code of ethics and professional responsibility and financial planning standards.

Our comprehensive review and evaluation process includes factors which could include any or all of the following:

- Written Investment Policy Statement
- General Analysis of Investment Options
  - Number of Investment Options Offered
  - Investment Styles Offered
  - Security Overlap Within Investment Options
- Detailed Analysis of Investment Options
  - Rolling Period Returns
  - Distribution of Returns
  - Correlation of Investment Options
  - Universe Analysis
  - Relative and Absolute Measures
- Detailed Analysis of Service Providers
- Plan Administration and Recordkeeping
- Plan Structure and Options
- Investment Options
- Fee Structure and Analysis
- Detailed Analysis of Plan Demographics Development of Model Portfolios - Minimum of Three, Maximum of Five Objectives:
  - Conservative
  - Moderately Conservative
  - Moderate
  - Moderately Aggressive
  - Aggressive
  - Distinctly Different Asset Allocations
  - Distinctly Different Risk-Reward Characteristics
  - Fund Specific Recommendations

Crescent Capital believes that a well-crafted retirement plan program is one of the most important benefits an employer can offer.

### **Tax Preparation & Tax Consulting**

- Create a seamless transition from tax planning to preparation and complete individual income and gift tax returns, as well as tax returns for trusts, charitable foundations, partnerships, and S Corporations.
- Help clients build an efficient tax plan.
- Offer trust and estate planning that allows for thoughtful transmission of wealth.

- Offer accounting and record-keeping services for your financial transactions. At your request, we will assist you with the accurate and timely preparation of bills for payment by preparing checks for your signature and proof of payment for your records.

## **Consulting**

Clients may also engage Crescent Capital to provide specific consulting services tailored to a client's current circumstances and needs. Consulting services are agreed upon by both parties prior to undertaking the desired service. Clients will sign an agreement which outlines the specific services to be provided by Crescent Capital and its associated personnel.

## **Advisory Services General Information**

Crescent Capital Consulting may engage, to a limited extent, in the purchase or sale of individual securities for clients' accounts. These purchases are in addition to the investment methods described below. The purchase of individual securities is customized to a client's investment profile. Our firm believes that every client's investment profile is unique. We therefore may purchase or sell individual securities in any number of client accounts while not doing so in others.

Additionally, securities transactions are conducted in the client's account either through (1) separately managed accounts by third party managers, (2) wrap-fee accounts, or (3) limited partnership interests. Our firm may also manage and trade, either on a discretionary or non-discretionary basis, legacy securities holdings, ETFs and mutual funds on our clients' behalf.

In most instances, an independent, third-party professional investment manager is retained to manage the client's assets either through a separately managed account or collective vehicle such as a mutual fund, ETF or private investment fund. Other than as stated above, Crescent Capital makes no investment decisions related to the investments in a client's accounts. We may, from time to time, assist in the rebalancing and/or reallocating of client accounts.

Our firm also provides tax return preparation, tax consulting, and related services to both advisory services clients and non-advisory services clients. These services are provided at an additional fee and are managed by a Certified Public Accountant (CPA) who is a full-time employee of the firm. Clients are not obligated to utilize our accounting services.

## **Item 5. Fees & Compensation**

Crescent Capital bases its advice on the specific financial goals and objectives, including risk tolerance and time horizon, of each client relationship.

Crescent Capital's fees are negotiable at our discretion and clients who engaged us when a different fee schedule was in place may pay different amounts according to their agreement with us.

Crescent Capital assesses its fee on either a monthly or quarterly basis, as agreed with each client, based on the following schedule:

| Total Assets                 | Annual Fee<br>(Basis Points) | Annual Fee<br>(Percentage) |
|------------------------------|------------------------------|----------------------------|
| On the first \$5,000,000     | 100                          | 1.00%                      |
| \$5,000,001 to \$10,000,000  | 90                           | 0.90%                      |
| \$10,000,001 to \$25,000,000 | 80                           | 0.80%                      |
| \$25,000,001 to \$50,000,000 | 60                           | 0.60%                      |
| Over \$50,000,001            | 50                           | 0.50%                      |

This fee will be a percentage of all assets in the Account(s) at the close of business on the last trading day of each applicable period.

The above fees represent the consulting fee paid to Crescent Capital. Fees charged by Crescent Capital in connection with its services are in addition to investment management, custodial, legal, accounting or recordkeeping costs charged by third parties. Crescent Capital reserves the right to deviate from this fee schedule. The services rendered by Crescent Capital may be available at lower rates from other investment advisors.

Crescent Capital's compensation is based on the total market value of all client accounts, including cash and cash equivalents, which may be charged at a reduced rate.

The Total Market Value is calculated on the value of the account at the end of the calendar month or quarter, utilizing the sum of all securities (both long and short) and money market and credit balances. Margin debit balances (if applicable) do not reduce the value of the account.

Clients on a monthly fee schedule will be billed monthly, in advance, at the beginning of each month, based on the value of the client's account at the end of the prior month. Clients on a quarterly fee schedule will be billed quarterly, in advance, at the beginning of each calendar quarter, based on the value of the client's account at the end of the prior quarter. New accounts are charged a pro-rata fee for the initial month or quarter based on the value of the assets deposited into the account. Our fees are deducted directly from client accounts or if a client prefers, we will send a bill for our fees. Generally, either the client or Crescent Capital may terminate the investment advisory relationship by giving thirty (30) days prior written notice to the other party. Upon termination, any prepaid fees will be promptly refunded to the client.

## **Consulting**

Consulting fees are separately negotiated with each client and will vary due to the complexity and breadth of the service being provided. All fees will be outlined in the client's consulting agreement. Crescent Capital will bill fees on either a fixed fee or hourly basis. When hourly fees are negotiated, an estimate of the time will be provided to clients in the client agreement. Crescent Capital does not obtain retainer fees for consulting projects.

## **Tax Return Preparation & Consulting**

Crescent Capital's fees for our accounting related services are typically based on the time required to complete the service and are governed by a separate written agreement with clients of



these services. Our fees for accounting related services are also based, in part, on the complexity of the service required and are negotiable at our discretion.

## **GENERAL INFORMATION ON FEES**

### **Pricing Practices**

Crescent Capital will use information provided by independent custodians or third-party money managers as our main pricing sources for purposes of valuing client portfolios on a monthly or quarterly basis, both for fee billing and investment performance calculation purposes. In this regard, the prices reported by Crescent Capital may not always match custodial prices, due to variances between the various pricing sources. In the rare instance where custodian(s) do not price a security, the price may be obtained from independent pricing services. Due to the illiquid nature of many private equity fund holdings, these fund managers often will not provide timely, quarterly valuations of fund interests. Under these circumstances, Crescent Capital will use the most recently provided fund valuation in calculating a client's fees. Crescent Capital does not typically adjust its fee calculations when the manager later provides fund valuations unless the valuation had materially changed.

### **Negotiability of Fees**

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of a client. The schedule represents the majority of the services offered to Crescent Capital clients. However, a fixed fee may be charged for a special client project or individualized services based on a specific client mandate for which there is not a set fee schedule and is therefore not represented in this brochure. These instances generally are negotiated with the client on a case-by-case basis. Under some circumstances, our fees are negotiable, e.g., for large or established clients and when Crescent Capital considers appropriate, we may waive fees or make special fee arrangements which may vary from the fee schedules above. Certain of Crescent Capital's clients may be charged lower fee rates that may not be available to new clients.

Depending on our services provided, investment objectives, location, and/or portfolio size, fees will vary among accounts. The quarterly market value or, as applicable, fair market value, of the portfolio will serve as the basis for quarterly fee calculations. Certain accounts, per account contract and/or custodial considerations, are payable quarterly or monthly in arrears. In certain circumstances, fees and account minimums may be negotiable. Fees for accounting services are based, in part, on the complexity of the service required and are negotiable at our discretion. These fees are not taken until the completion of the services being provided.

### **Account and Fee Minimums**

As a general matter of policy, Crescent Capital does not have any account or fee minimums for our various services.

Crescent Capital may recommend third party managers or wrap fee programs that require clients to satisfy certain investment minimums in order to participate in a wrap-fee program or to establish a separately managed account.

Any applicable minimum investment for any independent investment manager or in another investment vehicle, such as a private fund, mutual fund or a limited partnership, is established by the individual investment management firm or fund distributors.

### **Termination**

If an investment agreement is terminated prior to the end of a quarter for which a fee has already been paid, Crescent Capital will refund a pro-rated amount of such fee based upon the termination date. An investment agreement may generally be terminated at any time by the client or Crescent Capital on 30 days written notice to the other party. The investment agreement may be assignable by either party only upon the consent of the parties. Accounting fees are collected at the completion of the services being provided.

### **Custody and Brokerage Expenses**

The fees charged by Crescent Capital do not include custodial fees or trading costs incurred in buying and selling securities. (See Item 12 of this Brochure for additional information regarding Crescent Capital's brokerage practices). The client has the ultimate decision on the custodian to be used. Crescent Capital does not act as custodian of client assets (but does have authority to deduct advisory fees upon individual client authorization). Also, in most instances, cash is invested in short-term interest-bearing instruments and/or funds available through the custodian. A charge may be made by such custodian, which may not be disclosed on the custodian's statement if a commingled or money market mutual fund vehicle is utilized. For a determination of such charges, information or a prospectus may be obtained from the custodian. Any such charges by the custodian would be in addition to fees paid to Crescent Capital.

### **Separate Expenses and Fees**

All fees paid to Crescent Capital for investment management and / or consulting services are separate and distinct from the fees and expenses charged by third party money managers, private funds, including any management and performance fees, mutual funds and exchange traded funds (ETFs) to their clients, investors or shareholders. These fees and expenses are described in each manager's disclosure brochures, private fund offering documents or fund's prospectus. These fees will generally include a management fee and possibly a performance fee and other fund expenses, and a possible distribution fee for mutual funds. Clients whose assets are invested in one or more fund of funds should note that he/she will incur three layers of fees: Crescent Capital's fee, the fund of fund manager's management fee and performance-based compensation (incentive allocation), as applicable, and the fees charged by the underlying funds in which the fund of funds invests. While Crescent Capital does not typically recommend or invest in load funds, if a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge.

A client could invest with a third-party money manager, private fund, mutual fund or ETF directly, without the services of Crescent Capital. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which third party money manager, private fund, mutual fund or ETF are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the money managers, private funds, mutual funds or ETFs and the fees charged by our firm to fully understand the total amount of fees to be paid by the client and to evaluate the advisory services being provided.

### **Debiting of Advisory Fees**

The custodian deducts, unless a client otherwise instructs the custodian, the advisory fee from the clients' account and remits such amount directly to Crescent Capital. Invoices are sent to the client for payment of accounting services fees.

On at least a quarterly basis, the custodian sends each client a statement summarizing all amounts disbursed from the client's account during the period, including the amount of the client's advisory fees, if any, paid directly to Crescent Capital by the custodian.

Under no circumstances will we charge fees in excess of \$1,200 more than six months in advance of services rendered.

### **Invoicing of Tax Return Preparation and Related fees**

Crescent Capital provides each client of our accounting related services an invoice for services provided. The invoice is provided to the client for payment once all services have been completed.

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

Crescent Capital may, upon request and as negotiated with qualified clients, offer and charge any performance-based fees for its investment management services when appropriate and agreed upon with a qualified client. Currently, Crescent Capital has no such fee arrangements.

Our advisory fees are calculated as described above and are not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940, as amended).

Side-by-side management refers to multiple client relationships where an adviser manages advisory client relationships and portfolios on a simultaneous basis for individuals, businesses, institutions and also mutual funds and/or hedge funds. In such circumstances, potential conflicts of interest arise by and between clients, mutual funds and hedge funds, e.g., performance fee arrangements.

Crescent Capital does not currently manage any hedge funds or mutual funds or have any performance-based fee arrangements. Accordingly, Crescent Capital does not have any side-by-side potential or actual conflicts of interests other than to the extent that limited investment

opportunities may be available and must be allocated by Crescent Capital among various clients. Crescent Capital, as a fiduciary to our clients, has adopted allocation policies for the fair and equitable treatment of all clients as more fully described in Item 12 below.

Should the firm enter into any performance-based fee arrangements with any clients(s), we will amend this Firm Brochure and adopt appropriate policies to mitigate the inherent conflicts of interests arising under these circumstances.

## **Item 7. Types of Clients & Investments**

Crescent Capital offers and provides our investment management and / or consulting services to individuals, corporations, pension and profit sharing plans, trusts, estates, foundations, endowments and charitable organizations, among other institutions. In addition, Crescent Capital offers and provides accounting services to individuals, corporations, trusts, estates, foundations and endowments.

In some instances, third party investment managers or wrap-fee programs recommended by Crescent Capital do require an account minimum. Please see Section 5: Fees & Compensation; GENERAL INFORMATION ON FEES; Account and Fee Minimums for more detail about account minimums.

## **Item 8. Methods of Analysis, Sources of Information and Investment Strategies**

With respect to the investment managers recommended to a client, Crescent Capital ordinarily employs a variety of quantitative and qualitative methods of analysis.

The quantitative aspect of our analysis is supported by several comprehensive databases of investment managers incorporating many types of portfolios including mutual funds and commingled trusts, separately managed portfolios and limited partnerships. Investment performance is examined over a number of different market cycles for some or all of the following:

- (1) consistency of returns,
- (2) consistency of investment style,
- (3) dispersion in investment returns,
- (4) regression statistics, and
- (5) tracking error.

The qualitative aspects are generally contained within Crescent Capital's commitment to a program of ongoing due diligence efforts.

### ***Manager, Mutual fund and/or ETF Analyses***

We look at the experience and track record of the independent investment managers and the managers of mutual funds, ETFs, or private funds in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We

also look at the underlying assets of an independent investment manager, mutual fund, ETF, or private fund in an attempt to determine if there is significant overlap in the underlying investments held in other funds in the client's portfolio.

We also monitor the independent investment manager, private fund, mutual fund or ETF in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of any independent investment manager, private fund, mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to continue or replicate that success in the future.

In addition, as we do not control the underlying investments in any fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the independent investment manager, private fund, mutual fund or ETF, which could make any manager, fund or ETF less appropriate for the client's portfolio.

### ***Investment Strategies***

Crescent Capital's investment management consulting services are based on the individual client needs and objectives, therefore we offer and provide a wide variety of investment strategies based on each client's particular circumstances and mandates.

### **Option writing:**

We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

A call gives the buyer the right to buy an asset at a certain price within a specific period of time. We will consider buying a call if we believe that the underlying stock will increase substantially before the option expires.

A put gives the buyer the right to sell an asset at a certain price within a specific period of time. We will consider buying a put if we believe that the price of the underlying stock will fall before the option expires.

We could use options to speculate on the possibility of a sharp price swing. We could also use options to "hedge" a purchase of the underlying security; in other words, we could use an option purchase to limit the potential upside and/or downside of a security we have purchased for your portfolio.

When appropriate, we use “covered calls”, in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option contract, we may have to close the contract at a possible loss.

When appropriate we use a “spreading strategy”, in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

### ***Risks for all Forms of Analysis & Strategies***

Our securities analysis methods rely on the assumption that the companies whose securities we recommend, purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are aware that indications, reporting or data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Investing in securities involves risk, including the possible loss of principal. Diversification does not assure or guarantee better performance and cannot eliminate the risk of investment loss. Past performance does not guarantee future results.

## **Item 9. Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client’s or prospective client’s evaluation of our advisory business or the integrity of our management. Neither Crescent Capital nor our management personnel have reportable disciplinary events to disclose.

## **Item 10. Other Financial Industries Activities or Affiliations**

### ***Additional Compensation***

The investment professionals of Crescent Capital have no other financial affiliations or activities and devote substantially all their time and efforts to the investment activities of Crescent Capital and the firm’s clients.

Edwin R. Rodriguez, Jr. is involved in several non-investment related activities, for some of which he receives nominal compensation. These activities do not present any conflict of interest with his Crescent Capital responsibilities except to the extent he devotes a small portion of his

time to them. More details can be found in his ADV 2B Brochure Supplement, which is available on request.

Crescent Capital is a registered investment advisor under the Investment Advisers Act of 1940 (as amended). We have established various industry relationships to enable our clients to access a wide variety of financial services. Clients may select from a variety of investment management and / or consulting services, as described in Item 4 of this document. Crescent Capital provides services to clients through individuals who are referred to generally as “Consultants”. Crescent Capital’s Consultants may have specific expertise in areas such as investment consulting, private wealth management, 401(k) and retirement plan consulting, and/or financial and estate planning.

Clients can select a custodian relationship which Crescent Capital may recommend and has established a relationship with or clients can choose to designate another custodian that they wish to utilize.

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

### ***Code of Ethics***

Crescent Capital’s employees may at times own securities that are also owned by Crescent Capital’s clients. Our employees may also at times own securities that are similar to or different from those owned by or recommended to Crescent Capital’s clients. However, the purchase and sale of securities by employees must comply with Crescent Capital’s Code of Ethics, which is subject to certain restrictions and which includes pre-approval authorization for certain securities transactions in addition to quarterly and annual reporting and monitoring of transactions and holdings.

One purpose of our Code is to prevent an “access person” (those authorized for access to investment information) with the firm from knowingly benefiting in his or her personal investments from his or her position with the firm or to make personal investment decisions based on the investment decision of advisory clients. One of the founding principles of Crescent Capital is always putting our clients’ interests first. This is particularly true in the area of personal investment transactions.

Crescent Capital’s Code of Ethics reflects the firm’s commitment to ethical and honest conduct. At all times Crescent Capital and its associates will comply with the Code of Ethics. The Code is designed to also ensure that the high ethical standards long maintained by Crescent Capital continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.

Crescent Capital’s Code of Ethics further includes the firm’s policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to disciplinary action, including termination of employment with Crescent Capital.



A copy of our current Code of Ethics is available upon written request to Crescent Capital.

### ***Additional Conflicts of Interest***

Crescent Capital also seeks to avoid conflicts of interest but makes best efforts to disclose instances in which conflicts of interest arise:

- While Crescent Capital is a registered investment advisor and investment management consulting firm, currently there are no referral arrangements between any other firm for either compensating our firm or for Crescent Capital compensating other firms for introducing clients or prospective clients.
- Crescent Capital has been hired as investment consultant for some of its principals and for friends and relatives of some of its employees. This could appear to be a conflict in favoring these accounts over others managed by our firm. Fair allocation procedures have been put in place to address this conflict.
- At Crescent Capital, one of our core values is to reinvest in our communities. In this regard, Crescent Capital makes contributions to non-profit entities, some of which are clients of Crescent Capital. Additionally, some clients formed as charitable organizations or foundations may benefit from firm giving but not all such clients will. This could appear to be a conflict in contributing to clients to retain their business. As these situations may appear to be a conflict of interest, we have established various additional policies in order to ensure our fiduciary responsibilities.
- Crescent Capital has added a division providing accounting services, which are available at an additional fee. Because Crescent Capital would receive additional fees, we have an incentive to encourage clients to utilize our accounting services. However, clients are not obligated to use these services.

It is the policy of our firm that no person may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing any employees from benefiting from transactions placed on behalf of advisory accounts.

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client.
2. We maintain records of securities transactions and holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by the firm's Chief Compliance Officer.
3. We disclose the unrestricted right of the client to decline to implement any advice rendered (except under circumstances in which Crescent Capital is granted investment discretionary authority and, therefore, is permitted to and typically will implement recommendations without separate consultation with the client).



4. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Any individual not in observance of the above may be subject to termination.

**Item 12. Brokerage Practices*****Selection of Broker-Dealers***

When granted the authority to directly trade securities in a client's account, our firm endeavors to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help our firm in providing investment management services to clients. Our policy and practice is to principally use the client's account custodian to custody and execute most trades in our client's portfolios seeking to avoid additional "trade away" costs.

While Crescent Capital Consulting may engage in the purchase or sale of individual securities for clients' accounts, typically, securities transactions are conducted in a client's account either through (1) separate accounts managed by third party managers, (2) wrap fee accounts, or (3) limited partnership interests.

Our firm also manages and trades client legacy securities portfolio holdings, ETFs and mutual funds on our clients' behalf.

***Schwab Advisor Services & TD Ameritrade***

Crescent Capital may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), or TD Ameritrade, both independent and FINRA registered broker-dealers and SIPC member firms, to maintain custody of clients' assets and to effect trades for their accounts.

Although Crescent Capital may recommend that clients establish accounts at Schwab or TD Ameritrade, it is the client's decision to custody assets with Schwab or TD Ameritrade. Crescent Capital is independently owned and operated and not affiliated with either Schwab or TD Ameritrade.

Schwab and TD Ameritrade provide Crescent Capital with access to its institutional and custody services, which are typically not available to Schwab or TD Ameritrade retail clients. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services or \$10 million for the TD Ameritrade program. Schwab's and TD Ameritrade's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are

otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Crescent Capital's client accounts maintained in their custody, Schwab and TD Ameritrade are generally compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or TD Ameritrade or that settle into Schwab or TD Ameritrade accounts. Schwab Advisor Services and TD Ameritrade also make available to Crescent Capital other products and services that benefit our firm but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of Crescent Capital's accounts, including accounts not maintained at Schwab or TD Ameritrade.

Schwab's and TD Ameritrade's products and services that assist Crescent Capital in managing and administering clients' accounts include software and other technology that (1) provide access to client account data (such as trade confirmations and account statements); (2) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (3) provide research, pricing and other market data; (4) facilitate payment of our advisory fees from our clients' accounts; and (5) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services and TD Ameritrade also offer other services intended to help Crescent Capital manage and further develop its business enterprise. These services may include: (1) compliance, legal and business consulting; (2) publications and conferences on practice management and business succession; and (3) access to employee benefits providers, human capital consultants and insurance providers. Schwab and TD Ameritrade may make available, arrange and/or pay third-party vendors for the types of services rendered to Crescent Capital. Schwab Advisor Services and TD Ameritrade may also discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Crescent Capital.

Schwab Advisor Services and TD Ameritrade may also provide other benefits such as educational events or occasional business entertainment of Crescent Capital personnel. In evaluating whether to recommend that clients custody their assets at Schwab or TD Ameritrade, Crescent Capital may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab or TD Ameritrade. We address this apparent conflict of interest by conducting reviews to ensure the overall mix of products, services, fees and other factors are in the clients' best interests.

### ***Directed Brokerage***

Crescent Capital may place orders with brokerage firms pursuant to directions received from clients ("client directed accounts"), including situations in which Crescent Capital has suggested or introduced clients to brokers. In client directed accounts, it is the sole responsibility of the client, not Crescent Capital, to negotiate the commission rates.

Clients should recognize that they may pay a higher brokerage commission or receive less favorable execution than might otherwise be possible, if they direct us to utilize certain brokers.

Clients should also be aware of Crescent Capital's lack of authority to negotiate commissions, obtain volume discounts, and that best execution may not be achieved for client directed accounts. Clients should also be aware that disparities in commission charges may exist between the commissions charged to other clients, or greater spreads or less favorable net prices for similar trades in various accounts, and that there is a potential conflict of interest on the part of Crescent Capital arising from the described referrals and directed brokerage practices. Additionally, client directed brokerage accounts may be traded after discretionary accounts.

Crescent Capital receives no cash benefit, including commissions, from any non-client in connection with giving advice to clients. However, Crescent Capital has clients custodied at Schwab Advisor Services or TD Ameritrade that may provide us with economic benefits not available to us otherwise, including but not limited to, electronic trading capabilities, bundled statements, access to compliance information/seminars and deduction of advisory fees when authorized by the client.

### ***Aggregation***

From time to time, Crescent Capital will aggregate trades for our clients' accounts if we determine that it will be a benefit for the clients involved. When aggregation takes place, clients involved will receive the same fill price and the transaction fee will be split among those clients on a pro-rata basis. Trades for client accounts held in custody at Schwab or TD Ameritrade may be executed through a different broker-dealer than trades for Crescent Capital's other clients. Thus, trades for accounts custodied at Schwab or TD Ameritrade may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

### ***Allocation of Investment Opportunities***

As a matter of policy, Crescent Capital seeks to allocate investment opportunities and transactions on a fair and equitable basis for all clients over time and to not favor certain clients over others. In the unlikely event that limited investment opportunities or transactions would need to be allocated among advisory clients, we would allocate the investments or transactions fairly and equitably and typically on a pro-rata basis, unless we determine that it is not in the clients' interest to do so.

### ***Principal and Agency Cross Transactions***

As a matter of Crescent Capital policy and procedures, our firm does not engage in any principal trading or agency cross transactions on behalf of our firm for any advisory clients.

### ***Trade Errors***

Crescent Capital has adopted a policy and procedures for identifying and correcting any trade errors as promptly as possible. In the event a trade error occurs which is Crescent Capital's responsibility, any affected clients will not incur any loss as a result of the error and may benefit from any gain attributable to the error.

### **Item 13.      Review of Accounts & Reports to Clients**

#### **Investment Reviews**

Client portfolios are under ongoing supervision by the assigned Crescent Capital Investment Management Consultant and are also reviewed periodically by other members of the firm. Investment recommendations are also made on an ongoing basis. The firm recommends meeting with clients at least annually, and, in some cases, more often, to review the investment outlook, investment goals and objectives, investment policies and strategies, procedures, any client-imposed investment restrictions, and the portfolio positions and performance. Client portfolios also receive additional review on a periodic basis. More frequent reviews may be triggered by changes in market, political or economic conditions, or a client's request.

#### ***Wrap-Fee Accounts***

Crescent Capital is primarily responsible for reviewing the client's accounts participating in wrap fee programs and ensuring its continued suitability with respect to the client's financial goals and objectives, time horizons, and risk parameters. We require each client that participates in any wrap fee program to complete an investor profile questionnaire which is intended to measure the client's individual objectives, time horizons and risk parameters. Additionally, representatives of our firm will consult with the client to better understand the client's investment goals. The client is responsible for promptly bringing any material change in their investment objectives or financial condition to Crescent Capital's attention. Crescent Capital will contact the client at least annually to confirm the investment goals of the client and will be available to all clients for consultation regarding their investment accounts.

For wrap-fee accounts, Crescent Capital will customarily provide the client with a Portfolio Evaluation Report on a quarterly basis. The report includes the performance of the client's account in terms of time-weighted rate of return and compares the account's performance to that of selected benchmarks. We ordinarily select the benchmarks on the basis of the client's investment objectives and the client's preferences.

The performance figures reflected in the quarterly Performance Evaluation Reports are prepared on a uniform and consistent basis by an information system based upon account data submitted by the clearing broker-dealer firm providing custodial services for the accounts. Crescent Capital usually will also arrange for the client to receive (1) trade confirmations reflecting all transactions effected on the client's behalf, and (2) monthly statements itemizing all transactions in cash and securities and all deposits and withdrawals of principal and income during the preceding calendar month and listing securities in custody held in the account, or quarterly statements listing securities held in custody where there is no monthly activity.

***Separate Accounts***

For clients who retain an investment manager in a transaction-based, separate account format, the Client's Investment Policy Statement will ordinarily outline the client's goals and objectives, time horizons and risk parameters. The client is responsible for promptly bringing any material changes in their investment objectives or financial condition to Crescent Capital's attention.

Crescent Capital will contact the client at least annually to confirm the investment goals and risk parameters of the client and will be available to all clients for consultation regarding their investment accounts.

For separate accounts, Crescent Capital will also generally prepare the quarterly Performance Report based on account data supplied by the client's custodian. Reports are usually prepared on a uniform and consistent basis by Crescent Capital's team of professional performance analysts and are distributed to the clients quarterly if requested. Clients also may receive periodic statements from the investment managers and / or custodians.

**Item 14. Client Referrals**

While Crescent Capital is a registered investment adviser and investment management consulting firm, currently there are no referral arrangements for either our firm compensating any other firm or our firm receiving compensation from any other firm for introducing clients or prospective clients.

**Item 15. Custody**

Crescent Capital is deemed to have "constructive custody" under regulatory guidelines as a result of Crescent Capital's authority from certain clients for our firm to directly debit client advisory fees from their independent qualified custodian accounts consistent with industry practices and regulatory guidelines and to effect third party transfers from client accounts pursuant to standing letters of authorization.

Clients will receive monthly/quarterly statements from Crescent Capital and should carefully review each statement. In order to ensure that all account transactions, holdings and values are correct and current, we urge clients to compare our firm's statements with the statements you receive directly from your independent brokerage or bank qualified custodian.

**Item 16. Investment Discretion**

Crescent Capital has investment discretionary authority for certain client relationships to determine the securities to be bought and sold without obtaining specific client consent, unless a client of Crescent Capital specifically requests that certain securities of corporations not be purchased in their accounts; e.g. no tobacco stocks. Certain clients have put restrictions on their

accounts, such as retaining a particular security and/or tax considerations involving taxable accounts. In accounts with such restrictions, performance may be dissimilar to performance of other Crescent Capital clients' performance.

Any limitations on our firm's discretionary authority are to be provided by the client in writing, and any change or amendments of any investment restrictions or limitations are also to be provided by the client in writing. Crescent Capital will adhere to prudent diversification principles.

For those clients engaging Crescent Capital for discretionary investment management / consulting services, our firm has the investment discretion to recommend, select, hire and fire any third party investment managers and participate in wrap fee programs for our clients.

Clients that have elected not to grant Crescent Capital discretionary authority should note that their account trades could, in some instances, be executed subsequent to trades placed in discretionary accounts for the same security due to the time involved in obtaining the requisite client approval. In some cases, trades for non-discretionary clients may, out of necessity, be placed on a different day than clients granting discretion authority. Consequently, there may be a difference in the price paid per share of a given security as compared to other clients.

### ***Wrap-Fee Accounts***

With respect to wrap-fee accounts, Crescent Capital has access to the platforms established and sponsored by Schwab Advisor Services and TD Ameritrade, as the participating broker-dealers of their managed accounts programs. Participation in the programs require all client accounts to be held at Schwab or TD Ameritrade. Accordingly, Schwab or TD Ameritrade require all money managers who participate in their wrap-fee program to execute all transactions through either the Schwab or TD Ameritrade trading desks, as appropriate. Crescent Capital has no control over the trading activity conducted between the client's money manager and Schwab or TD Ameritrade. Money managers acting on their clients' behalf may be able to obtain better execution for securities transactions from another broker-dealer.

### ***Separate Accounts***

With respect to separate accounts, a client is free to establish and maintain their account at any financial institution of their choosing.

## **Item 17. Voting Client Securities**

### ***Proxy Voting***

Crescent Capital does not have any proxy voting responsibility for any client relationships.

### ***Legal Proceedings***

Crescent Capital, as a matter of policy and practice, may not provide legal or act on behalf of clients for any legal proceedings, including class actions, bankruptcies or other proceedings, involving companies whose securities are held or previously held in client portfolios.

**Item 18. Financial Information**

As a matter of firm policy and practice, our firm will not charge advisory fees in excess of \$1,200 more than six months in advance of the services rendered.

Also, our firm and its principals have no financial events or proceedings to disclose.