

Smith, Moore & Co.

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Disclosure Brochure

March 31, 2021

This brochure provides information about the qualifications and business practices of Smith, Moore & Co. (“SMC”), an investment adviser registered with the United States Securities and Exchange Commission (“SEC”). If you have any questions about the contents of this brochure, please contact Linda W. Sullivan, Chief Compliance Officer, at (314) 727-5225.

The oral and written communications of an investment adviser are intended to provide you with information to assist in your determination as to whether or not to retain the services of that investment adviser. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment adviser does not imply any level of skill or training.

Additional information about SMC also is available on the SEC’s website at: www.adviserinfo.sec.gov

Material Changes

Since the most recent issuance of our brochure on March 31, 2020, we have not made any material updates.

SMC will continue to deliver information to you and our other clients about our qualifications and business practices on an annual basis. We will also provide updated disclosure information about any other material changes on a more frequent basis. As with this brochure, any summaries of changes will include the date of the last annual update of our brochure.

You may obtain a copy of our current brochure at any time and at no charge by contacting Linda W. Sullivan, our Chief Compliance Officer, by phone, at (314) 727-5225 or by e-mail, at lsullivan@smithmoore.com.

Additional information about us and about our individual financial advisors is also available via the SEC's website, at: www.adviserinfo.sec.gov.

Information about your individual financial advisor can be found in the supplement to this brochure.

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CRD Number 3441

Advisory Business

SMC, which is located in Clayton, Missouri, is a corporation organized under the laws of the State of Missouri. SMC was founded in 1913 and has functioned since that time as a securities brokerage firm registered with the SEC and the Financial Industry Regulatory Authority (“FINRA”). We became registered with the SEC as an investment advisory firm in 2007.

Our financial advisors separately offer securities brokerage services and investment advisory services to their clients. The investment advisory services we offer include both the management of client assets by our financial advisors and by third-party investment managers who are not affiliated with us.

Your financial advisor will work with you to identify your investment goals, objectives and risk tolerances in order to structure an investment account and an ongoing investment strategy that he/she believes is most appropriate for you.

In addition to investment management, our financial advisors also provide a variety of investment consulting services, including financial planning. The nature of any investment consulting services recommended to you will be determined by your financial advisor based on the specific needs and objectives you identify.

Direct Asset Management Services

The investment accounts structured by our financial advisors could consist of stocks, corporate and government bonds, mutual funds, exchange-traded funds (“ETFs”), options and alternative investments such as limited partnerships and real estate investment trusts.

The investment accounts constructed and the investment strategies utilized by your financial advisor are determined based upon your specific individual investment objectives, goals and risk tolerances. Your financial advisor can periodically adjust the investments in your account (a process referred to as “rebalancing”) to ensure that your investment account remains consistent with your objectives, goals and risk tolerances.

To ensure that your investments are managed in a manner that is consistent with your objectives, goals and risk tolerances, your financial advisor relies upon you to notify him/her of any changes in your objectives, goals and risk tolerances, as well as any other material changes in your personal circumstances (such as your employment, marital status, financial condition, etc.). These changes could require changes in your investment account and the investment strategies employed.

Your financial advisor can manage your investment account on either a discretionary basis (meaning that you authorize your financial advisor to make specific investment decisions on your behalf) or non-discretionary basis (meaning that your financial advisor must obtain your specific prior approval before a transaction can be effected for your investment account).

Whether your financial advisor is authorized to exercise discretion with respect to your investment account is your choice. When you establish an advisory relationship with us, we will ask that you advise us in writing how you would like your financial advisor to handle your account.

The scope of the discretionary authority that you can grant to your financial advisor is limited to the selection of specific investments for your account and deciding how to allocate your assets among those investments. In accordance with this discretionary authority, your financial advisor can decide if and when to buy, hold, or sell those investments. Once you have granted discretionary authority to your financial advisor, it is effective until you change it or revoke it in writing.

In addition to the management of your investment account by your individual financial advisor, Smith, Moore & Co. offers the following investment programs and models:

- Tactical Equity Advisory Program
- Index Plus Advisory Program
- Fixed Income Advisory Program

These investment programs invest in a variety of mutual funds managed by certain SMC financial advisors (subject to oversight by SMC's Investment Committee). Each portfolio could contain both long and short equity and bond mutual fund positions. While each has an overall investment allocation target, that target can change based on market conditions. As a result, the risk profile of each portfolio can rise and fall with changes in the risk climate of the investment markets.

The general composition of the investment portfolios for each program are as follows:

Tactical Equity Advisory Program

The Tactical Equity Advisory Program's mutual fund portfolio is allocated among domestic equities, international and emerging market equities, commodities, and real estate.

Index Plus Advisory Program

The Index Plus Advisory Program's mutual fund portfolio is allocated among domestic equities, international equities, domestic and international fixed income and real assets.

Fixed Income Advisory Program

The Fixed Income Advisory Program's mutual fund portfolio is allocated among domestic, international and emerging market fixed income funds.

- Strategic Income Model
- Strategic Growth & Income Model
- Strategic Growth Model
- Strategic Equity Growth Model
- Strategic World Allocation Model

These investment models invest in a variety of mutual funds that are allocated across asset classes, investment styles and professional money managers. The Strategic models offer a long-term approach by investing in a group of individual mutual funds. The models' asset class weightings generally follow the Smith, Moore & Co. Investment Advisory Committee's guidelines for strategic asset allocation.

The general composition for each of these models is as follows:

Strategic Income Model

The Strategic Income Model is allocated with an approximate blend of 30% equity and 70% fixed income funds.

Strategic Growth & Income Model

The Strategic Growth & Income Model is allocated with an approximate blend of 50% equity and 50% fixed income funds.

Strategic Growth Model

The Strategic Growth Model is allocated with an approximate blend of 70% equity and 30% fixed income funds.

Strategic Equity Growth Model

The Strategic Equity Growth Model is allocated with equity funds.

Strategic World Allocation Model

The Strategic World Allocation Model may be allocated with funds that invest in developing as well as emerging countries. The asset classes may include equity, fixed income and commodity funds.

- Smith Moore Select Models Advisory Plan

The SM Select Models Advisory Plan is a personalized mutual fund advisory program.

Smith Moore offers a variety of American Funds Portfolio Series as well as American Funds Target Date Funds.

American Funds determines the asset allocation of these offerings.

As of March 31, 2021, our financial advisors managed approximately \$1.2 billion in client assets on a discretionary basis and \$113 million in client assets on a non-discretionary basis.

Third-Party Investment Management Services

We have entered into agreements with various investment managers who are not affiliated with us, to provide investment management services for our clients. In order to assist you in the selection of one or more of these third-party investment managers, your financial advisor will use the information you have provided relative to your investment objectives, goals and risk tolerances, as well as other relevant information to identify the investment manager(s) whose investment strategies appear most appropriate for you. Some of the other relevant information considered in selecting a third-party investment manager for you include (but are not limited to):

- your preference for certain types of investments or investment strategies
- your investment time horizon
- the size and composition of your investment account
- your tax considerations
- your financial advisor's prior experience with and preferences for particular investment managers
- the fees charged by the investment manager
- the experience and capabilities of the investment manager

Third-party investment managers generally manage client investment accounts on a discretionary basis.

Investment Consulting Services

Your financial advisor can provide you with a variety of investment consulting services to assist you in one or more of the following areas:

- asset protection
- tax planning
- business succession
- strategies for exercising stock options
- cash flow
- education planning
- estate planning
- multi-generational planning
- wealth transfer
- charitable gifting
- long-term care and disability planning
- retirement planning
- insurance planning
- asset allocation comparisons
- risk management

Your financial advisor could also provide consulting services with respect to one or more of the following additional areas:

- assisting you in the preparation of an investment policy statement
- reviewing and recommending changes to an existing investment policy statement (or similar guidelines, policies, and/or investment allocation that you are employing)
- reviewing existing contracts you have with service providers such as managers and consultants, and

making recommendations for changes

- assisting you in renegotiating the fees you pay to service providers and/or assisting you in conducting a search for new service providers
- analyzing the performance of your current investment manager
- advising you regarding the manner in which your investment account is being managed and, at your request, assisting you in searching for a new investment manager
- advising you regarding the management style and/or investment styles being employed in your account
- advising you on the purchase and sale of particular individual investments
- monitoring your transaction costs
- monitoring compliance by your investment managers with your investment policy statement
- assisting you in voting proxies

In conjunction with providing the foregoing services, your financial advisor is able to prepare and provide you with a comprehensive, written financial plan. The preparation of a financial plan requires that you provide your financial advisor with an assortment of personal data such as family records, employment records, budgeting, assets, liabilities, estate information, and tax information.

We encourage you to also consult with your attorney, accountant, insurance agent, and/or other trusted advisors in reviewing any recommendations that

result from the investment consulting services provided to you.

The investment consulting services and/or financial plan provided by your financial advisor can include investment recommendations. You are free to choose whether or not to implement those recommendations. If you choose to implement those recommendations, you could do so through your financial advisor and SMC or through any investment adviser or securities brokerage firm of your choice.

Regardless of the services you choose, we strongly encourage you to keep your financial advisor informed of any changes in your personal circumstances, financial situation, investment objectives or risk tolerances.

Fees and Compensation

We offer all of our services on a fee-only basis. Our fees are calculated based upon the market value of the investment assets in your account. Approximately one-fourth of our fee is billed each quarter based on the average value of your account over the course of the quarter.

Securities brokerage firms and other financial institutions that hold investment accounts for advisory clients are referred to as “custodians.”

Custodians usually determine the values of the assets in your investment accounts.

In our capacity as a securities brokerage

firm, all of our customer accounts are held by RBC Clearing & Custody. RBC Clearing & Custody, which is not affiliated with us, is a FINRA-member brokerage firm whose services include executing and clearing securities transactions for the customers of other securities brokerage firms, holding the cash and securities of those customers, and issuing transaction confirmations and account statements.

In our capacity as an investment adviser, we contract the services of RBC Clearing & Custody as the custodian of our client accounts. In those instances in which your financial advisor manages the investments in your account, RBC Clearing & Custody will hold your investment assets and will issue transaction confirmations and account statements reflecting the activity in your account.

RBC Clearing & Custody also determines the value of the individual securities in your account. We periodically test the reasonableness and accuracy of those investment values.

In those instances in which the assets in your investment account are managed by a third-party investment manager, those assets will usually be held with a custodian other than RBC Clearing & Custody (although they could be held at RBC Clearing & Custody). You will receive information about your account from that custodian on at least a quarterly basis.

We generally charge our investment

management fees “in arrears,” meaning that we charge our fees after we have provided our services to you. Because our fees are charged quarterly, they are calculated based on the number of days during the quarter that our advisory agreement with you was in effect.

Third-party investment managers may charge their fees in arrears or in advance of providing services to you. The fee billing policy of each third-party investment manager will be described in its disclosure brochure. SMC and your financial advisor will usually be paid a portion of the fees charged by third-party investment managers.

Fees for Direct Asset Management

The annual fee we charge for the management of your investment account generally ranges between .5% (one-half percent) and 3% (three percent) of the value of the investment assets managed by your financial advisor. Our fees are negotiable at our sole discretion. Factors that could affect the amount of the fees we charge include (but are not limited to):

- the amount of assets to be managed
- the types of investment assets to be managed
- the complexity of your portfolio
- the size and number of other accounts maintained with us by you and/or your family members

We require that you authorize us in writing to withdraw our investment

advisory fees directly from your investment account at RBC Clearing & Custody. This authorization is set forth in the investment advisory agreement you will execute to retain our services.

RBC Clearing & Custody will send a statement to you at least quarterly that includes the value of your investments, our advisory fee, and the market value used to calculate your fee. This statement will also reflect all transactions effected in your account and the current value of the investment assets held in your account at RBC Clearing & Custody.

We encourage you to review your RBC Clearing & Custody statements to verify the accuracy of the calculation of our fees.

In addition to our advisory fees, you may be required to pay other charges such as:

- custodial fees
- transaction-related fees (i.e., wire transfer fees, transfer taxes, etc.)
- postage, insurance and handling fees
- margin interest (if applicable)
- internal fees and expenses imposed by mutual funds, and ETFs
- other fees and/or taxes applicable to particular types of accounts or transactions

We will provide you with a separate schedule of the fees that we charge.

As noted above, mutual fund companies and ETFs charge internal fees and expenses for their products. These fees

and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these documents before making or authorizing any investments. Your financial advisor will be available to answer any questions you have about fees and expenses.

If you purchase mutual fund shares through us, you could pay a transaction fee that would not be charged if the transaction was made directly through the mutual fund company. Also, mutual funds held in accounts at securities brokerage firms (and investment advisory account custodians) could charge internal fees that are different from mutual funds held at the mutual fund company.

You can purchase shares of mutual funds directly from the mutual fund company without a transaction fee. Those investments, however, will not be part of our advisory relationship with you. This means that they will not be included in our investment strategies, investment performance monitoring, or investment reallocations.

Fees for Third-Party Investment Management Services

As noted above, the advisory services provided by third-party investment managers and the fees they charge for those services are detailed in their respective disclosure brochures. Your financial advisor will provide you with a copy of the brochure for each

investment manager recommended to you.

The custodian employed by each third-party investment manager will send a statement to you at least quarterly that includes the value of your investments, the advisory fee you have been charged, and how that advisory fee was calculated. The statement will also reflect all transactions effected in your account and the current value of the investment assets held on your behalf.

We encourage you to review the statements you receive and verify the accuracy of the calculation of the fees you are charged.

Fees for Investment Consulting Services

Fees for investment consulting and financial planning services are charged on an hourly basis. The amount you will be charged will be negotiated between you and your financial advisor.

Generally, the amount of our fees will depend upon the complexity of the services you need and will range from \$125 to \$600 per hour. Your financial advisor will provide you with an estimate of the cost of the services to be provided to you prior to beginning the investment consulting process.

You and your financial advisor will jointly determine how you will be billed for the investment consulting services you are provided. That billing could be done on a monthly basis, on a quarterly basis, upon completion of the services

specified in the investment consulting agreement, or in some other manner agreed to by you and your financial advisor.

As previously noted, all fees are negotiable at our sole discretion.

Whether you implement any of the investment recommendations resulting from the investment consulting or financial planning services provided by your financial advisor is entirely at your discretion.

If you choose to implement your financial advisor's recommendations, you can do so through the financial professional of your choice. If you implement those recommendations through your financial advisor, we and your financial advisor may receive compensation for those services beyond the consulting fees you paid.

For example, if you choose to effect securities transactions through your financial advisor in conjunction with his/her association as a securities brokerage registered representative of SMC, your financial advisor could receive commissions or other transaction-based compensation from those transactions.

Your financial advisor may also receive additional compensation resulting from securities transactions you effect through him/her in his/her capacity as a securities brokerage registered representative of SMC. For example, your financial advisor may receive "12b-1 fees," which are fees paid by mutual fund

companies for the on-going marketing of their investment products.

In addition, revenue, generated by mutual fund company management fees and bank deposit program interest, is shared with our clearing firm RBC Clearing & Custody. Smith, Moore & Co shares in these payments.

Your financial advisor may also be licensed to sell insurance products through various insurance companies with which SMC maintains selling agreements. As such, he/she may receive commissions from any insurance products you purchase through him/her.

Upon your request, your financial advisor will explain to you the specific costs associated with any investments recommended to you.

You are under no obligation to purchase investment or insurance products, or to implement any investment consulting or financial planning recommendations through your financial advisor or us.

You may purchase investment products and implement investment consulting or financial planning recommendations through the investment or insurance professional of your choice.

The fact that your financial advisor could receive compensation from several different sources presents a potential conflict of interest. The availability of these various forms of compensation could create an incentive for your financial advisor to make

recommendations based upon the amount of compensation that could be received rather than based upon your particular needs.

We are committed to acting in your best interests at all times and we regularly monitor the interaction between our advisory representatives and their clients to identify and address potential conflicts of interest.

Performance Based Fees

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. We do not charge performance-based fees on any of our client accounts.

Types of Clients

We provide advisory services primarily to individuals (including their trusts, estates and retirement accounts), corporations (and other businesses), and pension/profit sharing plans.

We do not generally require that you have a minimum investment amount to establish an advisory relationship with us. We may, however, recommend that you consider establishing a conventional securities brokerage account if it appears that that would be more economically beneficial to you than a fee-based account (for example, if your investment account is relatively small and/or there

would be limited investment activity in the account).

There are minimum investment requirements for participation in our investment programs and models. Those minimums are as follows:

Tactical Equity Advisory Program:

\$75,000

Index Plus Advisory Program:

\$35,000

Fixed Income Advisory Program:

\$35,000

Strategic Income Model:

\$35,000

Strategic Growth & Income Model:

\$35,000

Strategic Growth Model:

\$35,000

Strategic Equity Growth Model:

\$35,000

Strategic World Allocation Model:

\$35,000

Select Models Advisory Plan

No minimum

Methods of Analysis, Investment Strategies and Risk of Loss

Our financial advisors select specific investments for your investment account through the use of fundamental and technical analysis and charting.

Fundamental analysis is a method of evaluating a company that has issued securities by attempting to measure the

value of its underlying assets. This entails studying overall economic and industry conditions as well as the financial condition of the company and the quality of its management. Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value identified is then compared to the current price of the company's securities to determine whether to purchase, sell, or hold those securities.

Technical analysis is a method of evaluating securities by analyzing statistics associated with market activity, such as past prices and trading volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future performance.

Charting involves identifying patterns in the prices of securities that can suggest future activity in price movements. A chart pattern is a distinct formation that provides an indicator of potential future price movements. Chartists use these patterns to identify current trends and trend reversals that can trigger buy and sell signals.

The investment strategies of our financial advisors may include investing on a long-term basis, a short-term basis, or both. As previously noted, you may place reasonable restrictions on the strategies to be employed by your financial advisor in your account (such as, for example, the types of investments to be held in your account).

As also previously noted, your financial advisor may recommend the use of one or more third-party investment managers to implement his/her investment advice. Each investment manager that we make available to our financial advisors is analyzed based upon their investment strategies, experience, performance track record, reputations, and fee arrangements.

Although your financial advisor will manage your account in a manner he/she believes is consistent with your specific investment objectives and risk tolerances, there can be no guarantee that those efforts will be successful. General economic conditions, current interest rates, the performance of a particular industry or a particular company, and any number of other factors can affect investment performance both positively and negatively.

Because we cannot guarantee positive performance, you should be prepared to bear the risk of loss. All investments are subject to the potential for loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions) and the loss of future earnings.

You should also be aware that transactions in your investment account (including account reallocations and rebalancing) may trigger taxable events for you (unless your account is a qualified retirement account).

Disciplinary Information

In its capacity as a securities brokerage firm, SMC has been the subject of the following disciplinary actions:

- In May 2011, we executed a Letter of Acceptance, Waiver and Consent with FINRA wherein we accepted findings (without admitting or denying the allegations) that we had failed to implement anti-money laundering policies and procedures reasonably designed to detect and cause the reporting of suspicious activities by clients of a correspondent brokerage firm and that we failed to detect, investigate, and file suspicious activity reports when red flags of suspicious activity were present. In resolution of this matter, we were censured and fined \$75,000.

There are no other matters that we believe would be material to your evaluation of our business or the integrity of our management.

Other Financial Industry Activities and Affiliations

As previously noted, SMC is registered with the SEC and FINRA as a securities brokerage firm. All of our financial advisors are qualified and registered to function as securities brokerage firm registered representatives.

Securities brokerage firm registered representatives make recommendations to and effect securities transactions for their clients. They are compensated for these services through commissions or markups/markdowns that are charged to clients on each individual transaction.

In December, 2013, Smith, Moore & Co. received a one-time cash incentive payment from its clearing firm, RBC Clearing & Custody. This payment was used to offset infrastructure and operational expenses incurred during our conversion to RBC Clearing & Custody as a fully disclosed correspondent firm.

Many of our financial advisors are additionally licensed to sell insurance products through various insurance companies with which we have selling agreements. They are compensated through commissions paid by the insurance companies that issue the insurance products sold.

You are under no obligation to utilize the services of your financial advisor in the purchase or sales of securities or insurance products in his/her capacity as a registered representative or a licensed insurance agent. Any transactions you effect through your financial advisor in either of those capacities, however, will likely result in compensation to your financial advisor (and to us) in the form of commissions and other transaction-related compensation.

The securities brokerage and insurance services offered by our financial advisors are separate from the investment

advisory services they offer. Generally, you will not be charged commissions or markup/markdowns on the transactions effected through your investment advisory relationship with us.

Your financial advisor will not exercise discretion in your account to purchase investments which include a commission or markup/markdown. If your account is managed on a non-discretionary basis, in rare instances, your financial advisor may be unable to recommend the purchase of an investment product that does not include a commission or markup/markdown. In such instances, your financial advisor will obtain your prior written authorization before effecting such a transaction in your account.

As explained under the *Fees and Compensation* section of this brochure, you could be charged for certain costs associated with the execution and clearing of certain transactions effected in your investment advisory account. Your financial advisor will provide you with a schedule reflecting those charges.

Code of Ethics: Participation or Interest in Client Transactions and Personal Trading

We have adopted a *Code of Ethics* (“Code”) to address the securities-related conduct of our financial advisors and employees. The *Code* includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours
- that all personal securities transactions of our financial advisors and employees be conducted in a manner consistent with the *Code* and avoid any actual or potential conflict of interest, or any abuse of a financial advisor's or employee's position of trust and responsibility
- that financial advisors may not take inappropriate advantage of their positions
- that information concerning the identity of your security holdings and financial circumstances are confidential
- that independence in the investment decision-making process is paramount

We will provide a copy of the *Code* to you or any prospective client upon request.

On rare occasions, we could buy or sell securities for our own account that we also recommend to you. Similarly, our financial advisors and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account.

Such transactions for our account and for the personal investment accounts of our financial advisors and employees may raise potential conflicts of interest. We have adopted policies and procedures to address these conflicts of interest. These policies and procedures:

- require that we, our financial advisors,

and our employees act in your best interest

- prohibit favoring one client over another
- provide for the regular review of transactions to ensure that your interest has precedence over the personal interests of your financial advisor. While there is no standard that applies in every case, in general when your financial advisor receives a better price on the purchase or sale of a security for his/her own account on the same day that he/she also effected in your account, you will generally receive the better price unless there are extenuating circumstances.

Our financial advisors and employees must follow our procedures when purchasing or selling the same securities purchased or sold for clients.

Brokerage Practices

In those instances in which your financial advisor manages your investment account, our clearing firm, RBC Clearing & Custody, will execute all transactions for your account. We test the quality of order executions to ensure that you are receiving the best available execution on transactions in your investment account.

We could engage in "bunched trading," which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the

average of the prices at which all of the transactions in a given bunch were executed. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Bunched trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients.

Transactions for non-discretionary client accounts are generally not bunched with transactions for discretionary client accounts. Transactions for the accounts of our financial advisors and employees may be included in bunched trades. They will receive the same average price and pay the same transaction costs, as clients.

Transactions for the accounts of our financial advisors or employees will not be favored over transactions for client accounts.

We are not obligated to include any client transaction in a bunched trade. Bunched trades will not be effected for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client.

You can direct us in writing to use another securities brokerage firm or another financial institution (such as the trust department of a bank) to execute

some or all of the transactions for your investment advisory account. If you do so, the transaction fees and other expenses you are charged could be more or less than what we charge.

When you direct us to execute transactions for your investment advisory account through another securities brokerage firm, you will be responsible for negotiating the terms and arrangements for the account with that firm. This includes negotiating transaction charges, obtaining volume discounts, ensuring best execution, etc.

Review of Accounts

Your financial advisor will regularly review your account to ensure that your investments and investment strategies are suitable for you. Your financial advisor will contact you at least annually (or more often as agreed upon with you) to review your account and to update your financial status, goals, objectives and risk tolerances. These reviews also consider any investment restrictions you have requested and how your investments meet your investment time horizons, liquidity needs, tax considerations and other circumstances unique to you.

Changes in your investments and your investment strategies will be made by your financial advisor as they are deemed appropriate.

As previously noted, we strongly encourage you to inform your financial advisor of any changes in your personal circumstances, your investment goals or

objectives, and your risk tolerances to ensure that your investments and investment strategies are most appropriate for you.

In addition to the reviews done by your financial advisor, our Compliance Department, under the direction of our Chief Compliance Officer, monitors client accounts on an on-going basis to ensure that the investments and transactions in those accounts are consistent with the information we have been provided.

Third-Party Investment Management Services

Your financial advisor will regularly review the reports provided to you by any third-party investment managers that are managing an account for you. Your financial advisor will contact you at least annually (or more often as agreed upon with you) to review your financial situation, investment goals, objectives, risk tolerances and the performance of the third-party investment manager to ensure that your account is being managed in a manner consistent with your best interests.

Again, we strongly encourage you to advise your financial advisor of any changes in your personal circumstances, your investment goals or objectives, and your risk tolerances to ensure that your investments and investment strategies are most appropriate for you.

You will receive statements on at least a quarterly basis identifying your current investment holdings and their current market values.

Client Referrals and Other Compensation

Payments for referrals will be disclosed directly to the referred client. We do not receive any other fees or compensation relating to the investment advisory services we provide to our clients other than as described above in this brochure.

Custody

As previously noted, when your financial advisor manages your investment account, RBC Clearing & Custody will maintain custody of the investment assets in your investment advisory account. RBC Clearing & Custody will send you statements at least quarterly reflecting the investment assets you hold, the transactions that have been effected for your account, and the advisory fees you have been charged.

We encourage you to closely review each account statement you receive to verify that the transactions in your account are consistent with your investment goals and the objectives for your account. You should promptly notify your financial advisor or our Compliance Department if you notice any apparent errors or have any questions.

Investment Discretion

As previously noted, we offer our advisory services on a discretionary basis (meaning that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your account) and a non-discretionary basis (meaning that we need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts).

We may only exercise discretion if you have provided that authority to us in writing. This authorization is typically included in the investment advisory agreement you enter into with us.

The discretionary authority granted to us does not provide us the ability to withdraw funds from your account (other than to withdraw our advisory fees which also may only be done with your prior written authorization).

We will exercise discretion in your investment account in a manner consistent with the stated investment objectives for your account.

Typically, under third-party investment management arrangements, the third-party investment manager exercises discretion in the management of your account and decides upon and executes all investment transactions. We do not manage or obtain discretionary authority over the assets in those accounts. You can, however, grant us the discretionary

authority to hire and fire such third-party managers on your behalf.

Voting Client Securities

Our financial advisors do not generally take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. As noted above, your financial advisor may assist you in voting proxies if you retain him/her to do so as a financial consulting service.

Our financial advisors, similarly, do not generally take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits.

We will forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts so that you can choose how you wish to respond to them.

Financial Information

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you. We have not been the subject of any bankruptcy proceedings.