

The Rikoon Group

REGISTERED INVESTMENT COUNSEL

The Rikoon Group

Investment Advisory Services Brochure

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March 31, 2021

If you have any questions about the contents of this Brochure, please contact us at the number above. 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.

The Rikoon Group is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about The Rikoon Group also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Since its last Annual Amendment filing on March 28, 2019, there have been no material changes to this Brochure.

ANY QUESTIONS: The Rikoon Group’s Chief Compliance Officer, Kyle Burns, remains available to address any questions regarding Brochure.

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Item 4 – Advisory Business

The Rikoon Group, LLC (“The Rikoon Group” or “Advisor”) is registered as an investment advisory firm under the United States Securities and Exchange Commission (“SEC”).

The Rikoon Group, which was initially known as Rikoon Investment Advisors, Inc., and subsequently known as Rikoon-Carret Investment Advisors and Rikoon-Carret Wealth Management Group, was partially acquired by The Edelman Financial Group Inc. (TEFG) (formerly Sanders Morris Harris Group, Inc.) in 2007. In December 2012, TEFG acquired the remaining portion. In 2014 TEFG changed their name to Pinnacle Summer Investments, Inc. Rikoon Investment Advisors, Inc was established in 1987 by Robert A. Rikoon. Following the acquisition by TEFG, the name was changed to The Rikoon Group. The Rikoon Group is now wholly owned by HIGHTOWER HOLDING, LLC.

Discretionary Investment Supervisory Services

The Rikoon Group provides Investment Supervisory Services which involves ongoing and continuous portfolio management services. These services include providing investment advice and/or making investments for clients based on the individual needs of the client.

Investment decisions and ongoing account supervision are guided by the client’s stated individual needs, goals, objectives, time horizons, risk tolerance and suitability established via a data-gathering and discussion process. The Advisor assumes the information disclosed by clients in this data-gathering and discussion process is complete and accurate. If the client chooses to withhold information, the client must understand that comprehensive investment needs/objectives may not be fully considered.

The Rikoon Group believes that client participation in the investment process is critical. *Clients are advised to promptly notify The Rikoon Group if there are any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restriction upon the Advisor’s management services.*

If an Investment Management Agreement includes related clients (e.g. husband and wife, life partners, etc.), our services will be based upon the joint goals communicated to us by either party. We are permitted to rely upon instructions from either party with respect to disposition of the assets, unless and until such reliance is revoked in writing to us. We are not responsible for any claims or damages resulting from such reliance or from any change in the status of the relationship between the clients.

Clients or The Rikoon Group may terminate the Investment Supervisory services immediately upon receipt of a 30-day written notice.

The Rikoon Group does not participate in a wrap fee program.

As of 12/31/2020 we were actively managing \$589,790,831 of clients’ assets on a discretionary basis plus \$26,890,048 of clients’ assets on a non-discretionary basis.

Financial Consultation Services

The Rikoon Group is available to provide Financial Consultation Services on an hourly, project or annual basis. Prior to engaging the Advisor to provide financial consulting services, a client will generally (depending upon the level and/or scope of services to be provided) be required to enter into an Investment Supervisory Agreement setting forth the terms and conditions of the engagement, and describing the scope of the services to be provided.

The Rikoon Group does not consider itself a comprehensive financial planner, but can provide assistance in connection with various components of financial planning as part of these services, if desired. The Advisor may provide Financial Consultations pertaining to such issues as research, investment analysis, portfolio reviews, asset allocation, retirement planning, education funding, risk assessment, goal setting, business and business owner issues, cash flow, or other needs or areas of interest that are identified by the client. All services are tailored to the clients' needs and desires.

The Rikoon Group does not provide tax or legal advice. Clients requiring assistance on issues outside of financial and investment advisory topics should consult their personal tax advisor, legal counsel, or other professionals for expert opinions.

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Non-Investment Consulting/Implementation Services. To the extent specifically requested, The Rikoon Group may provide consulting services regarding non-investment related matters, such as tax and estate planning, insurance, etc. **Please Note:** The Rikoon Group **does not** serve as an attorney, accountant, or insurance agent, and no portion of our services should be construed as same. Accordingly, The Rikoon Group **does not** prepare legal documents, prepare tax returns, or sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for non-investment implementation purpose (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from The Rikoon Group and/or its representatives. **Please Also Note:** If the client engages any professional (i.e. attorney, accountant, insurance agent, etc.), recommended or otherwise, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and **not** The Rikoon Group, shall be responsible for the quality and competency of the services provided.

Client Obligations. In performing its services, The Rikoon Group shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify The Rikoon Group if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising The Rikoon Group's previous recommendations and/or services.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by The Rikoon Group) will be profitable or equal any specific performance level(s).

Tradeaway/Prime Broker Fees. Relative to its discretionary investment management services, when beneficial to the client, individual fixed income transactions may be effected through broker-dealers other than the account custodian, in which event, the client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "tradeaway" and/or prime broker fee charged by the account custodian (Schwab, TD Ameritrade).

Unaffiliated Private Investment Funds. The Rikoon Group may also provide investment advice regarding unaffiliated private investment vehicles. The Rikoon Group, on a non-discretionary basis, may recommend that certain qualified clients consider an investment in unaffiliated private investment. The Rikoon Group's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of The Rikoon Group's investment advisory fee. The Rikoon Group's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s). Employees of The Rikoon Group may also invest in the same private investment vehicles in which clients invest.

Please note that private investments generally involve various risk factors, including, but not limited to, potential for loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each vehicle's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investments do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

In the event that The Rikoon Group references private investment funds owned by the client on any supplemental account reports prepared by The Rikoon Group, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If the fund sponsor does not provide a post-purchase valuation, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date) or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects the initial purchase price (and/or a value as of a previous date), then the current value(s) (to the extent ascertainable) **could be significantly more or less than the original purchase price.**

Please Note: Retirement Rollovers-Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If The Rikoon Group recommends that a client roll over their retirement plan assets into an account to be managed by The Rikoon Group, such a recommendation creates a conflict of interest if The Rikoon Group will earn new (or increase its current) compensation as a result of the rollover. When acting in such capacity, The Rikoon Group serves as a fiduciary under the Employee Retirement Income Security Act (ERISA), or the Internal Revenue Code, or both. **No client is under any obligation to roll over retirement plan assets to an account managed by The Rikoon Group. The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

Please Note-Use of Mutual and Exchange Traded Funds: Most mutual funds and exchange traded funds are available directly to the public. Thus, a prospective client can obtain many of the funds that may be utilized by The Rikoon Group independent of engaging The Rikoon Group as an investment advisor. However, if a prospective client determines to do so, he/she will not receive The Rikoon Group's initial and ongoing investment advisory services. **Please Also Note:** In addition to The Rikoon Group's investment management fee described at Item 5 below, and transaction and/or custodial fees discussed below, clients will also incur, relative to all mutual fund

and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). **ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding the above.**

Independent Managers. Rikoon Group may allocate a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the Independent Manager[s] shall have day-to-day responsibility for the active discretionary management of the allocated assets. Rikoon Group shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors that Rikoon Group shall consider in recommending Independent Manager[s] include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. **Please Note:** The investment management fee charged by the Independent Manager is separate from, and in addition to, Rikoon Group's advisory fee as set forth in the fee schedule at Item 5 below. **ANY QUESTIONS: Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding the above.**

Custodian Charges-Additional Fees: As discussed below at Item 12 below, when requested to recommend a broker-dealer/custodian for client accounts, The Rikoon Group generally recommends that Schwab and/or TD Ameritrade serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab and TD Ameritrade charge transaction fees for effecting certain securities transactions. In addition to The Rikoon Group's investment management fee referenced in Item 5 below (and, to the extent applicable, the Independent Manager's investment management fee), the client will also incur transaction fees to purchase securities for the client's accounts. **ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding the above.**

Portfolio Activity. The Rikoon Group has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, The Rikoon Group will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when The Rikoon Group determines that changes to a client's portfolio are neither necessary nor prudent. The Rikoon Group's investment management fee at Item 5 below shall remain payable during such periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by The Rikoon Group will be profitable or equal any specific performance level(s).

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by The Rikoon Group) will be profitable or equal any specific performance level(s).

Disclosure Brochure. A copy of The Rikoon Group's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client before, or contemporaneously with, the execution of the applicable form of client Agreement.

Item 5 – Fees and Compensation

Discretionary Investment Supervisory Services Fees

The fees for Investment Supervisory Services are based upon a percentage of the assets under management. The Advisor's fee scale is outlined below:

Assets Under Management for marketable securities

| | |
|---------------------------------|-----------------|
| First \$1 million Account value | 1.25% per annum |
| Next \$4 million Account value | 1.00% per annum |
| Next \$5 million Account value | 0.75% per annum |
| Account value over \$10,000,000 | 0.50% per annum |

Investments with limited liquidity and valuation (as described above in Unaffiliated Private Investments) will be billed quarterly at a flat rate of \$75 per \$10,000 of capital invested, with a minimum fee of \$75. Investments that distribute principal in the calendar year, will be charged based upon the remaining capital invested at the end of each quarter.

The Rikoon Group's fee is agreed to at the time of engagement. Fees may be modified at The Rikoon Group's discretion, based on unusual circumstances, pre-existing relationships, or complex matters. The Rikoon Group's fee may also be dependent upon the amount and nature of assets to be managed, required services, complexities, or other factors. The Rikoon Group reserves the right to provide pro bono services for some charitable organizations, family members, or for persons with special needs.

As indicated in the Investment Management Agreement, clients will be invoiced at the end of each calendar quarter after services are rendered, based upon the portfolio's market value as determined by the client's custodial firm on the last trading day of the preceding quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination, any earned, unpaid fees will be due and payable immediately.

Payment of Investment Supervisory fees may be made directly by the client within 10 days of the invoice or payment of fees may be made through direct debit of the client's account by the qualified custodian holding the client's funds and securities.

The fees noted herein represent fees for advisory services only. Depending upon the type of transaction, clients could pay transaction fees and brokerage commission to their broker/dealer as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, cash wire transfer, retirement plan, trust fees, and any applicable third-party fees). Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the Advisor's fee, and the Advisor shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that the advisor considers in selecting or recommending broker/dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding advisory fees.

Non-Discretionary Investment Supervisory Services Fees

The investment management fees charged by the designated outside *Independent Manager(s)*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are generally exclusive of, and in addition to, The Rikoon Group's ongoing investment advisory fee. The Rikoon Group modifies its supervisory fee scale for monitoring of *Independent Manager(s)* to an average of 0.5% of assets held with the *Independent Manager(s)*.

Financial Consultation Fees

The Advisor's fees for Financial Consulting are charged on an hourly or fixed fee basis. Financial Consulting fees are determined at engagement, based on the nature and complexity of services, the client's particular circumstances or other factors, at the Advisor's discretion. Fees generally range from \$100.00 to \$400.00 on an hourly basis. The Advisor may request a retainer equal to ½ the estimated total project fee in order to schedule the project. In such cases, the balance of the project fee is due upon the conclusion of services. Should additional services be desired or where the client's circumstances have changed materially prior to the conclusion of services, additional fees may apply. However, the Advisor will obtain approval from the client prior to engaging in additional time and effort that will result in additional fees. If services are terminated before completion, any earned, unpaid fees will be due and payable immediately. Any pre-paid, unearned fees will be refunded promptly.

Margin Accounts: Risks/Conflict of Interest. The Rikoon Group does not recommend the use of margin for investment purposes. A *margin account* is a brokerage *account* that allows investors to borrow money to buy securities. By using borrowed funds, the customer is employing leverage that will magnify both account gains and losses. The broker charges the investor interest for the right to borrow money and uses the securities as collateral. Should a client determine to use margin, The Rikoon Group will include the entire market value of the margined assets when computing its advisory fee. Accordingly, The Rikoon Group's fee shall be based upon a higher margined account value, resulting in The Rikoon Group earning a correspondingly higher advisory fee. As a result, the potential of conflict of interest arises since The Rikoon Group may have an economic disincentive to recommend that the client terminate the use of margin. **ANY QUESTIONS: Our Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding the use of margin.**

Commission Compensation

Neither The Rikoon Group, nor its representatives accept compensation from the sale of securities or other investment products.

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

The Rikoon Group does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

The Rikoon Group provides portfolio management services to families, individuals, trusts, charitable organizations, corporate pension and profit-sharing plans.

As indicated above, The Rikoon Group's fee is agreed to at the time of engagement. Fees may be modified at The Rikoon Group's discretion, based on unusual circumstances, pre-existing relationships, or complex matters. The Rikoon Group's fee may also be dependent upon the amount and nature of assets to be managed, required services, complexities, or other factors. The Rikoon Group reserves the right to provide pro bono services for some charitable organizations, family members, or for persons with special needs.

The Advisor reserves the right to decline to provide services to any person or firm for any reason. Independent Managers utilized by clients may have program minimums pursuant to their disclosure documents.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

The Rikoon Group provides customized portfolio management services to meet the unique needs, situations and goals of clients. Each portfolio is individually designed and managed to meet the client's objectives. Our typical portfolio combines growth and income investments to create a well-diversified allocation. We take an active approach to investing, adjusting our strategy on a firm level, as well as, in individual portfolios as market conditions change. Investing in securities of any kind involves risk of loss that clients should be prepared to bear. An Advisory Representative discusses the risks of investing with each client and together they develop an investment strategy based upon the client's risk tolerances and objectives before any investing takes place. The investment strategy is reviewed and updated as needed based upon changes in the client's goals and/or risk tolerance.

The growth portion of client portfolios includes stocks from varied market segments. The positions represent both large and small companies and include most of the world's geographic regions. For the large cap, developed equity area, The Rikoon Group generally invests in individual company stocks. When researching individual stocks, we take a bottom up approach, looking at the underlying financial status of the company and the prospects for the goods or services the company provides, while also taking into consideration economic factors. For less developed areas of the world or specialized sectors The Rikoon Group uses exchange traded or mutual funds. Funds allow portfolios to be invested in higher return, higher risk areas with more diversification than individual stock positions would carry because of the fund's larger number of holdings. When researching mutual funds, we look for low expense ratios, positive long-term performance in relation to comparable funds, and stable manager tenure. With all equity positions, there is risk of loss.

The income portion of client portfolios is designed to produce cash flow through the use of bond ladders in combination with dividend paying stocks and high yield bond mutual funds. With all bonds there is risk of inflation and default. To mitigate the effect of inflation we maintain a short average duration in our bond portfolios. To reduce the risk of default when buying individual bond issues, we primarily purchase investment grade bonds. For municipal bonds we focus on buying general obligation and essential service revenue bonds as they have more secured revenue sources for repayment of interest and principal. For corporate bonds we look for companies with a financial position that more than adequately covers their debt obligations and a positive outlook for continuing stable revenues.

For clients who can tolerate more risk in the income portion of their portfolio, we invest in dividend paying stocks and mutual funds that invest in non-investment grade or international bonds. These options allow us to achieve greater cash flow than investing in investment grade bonds alone, but carry more risk. When researching dividend paying stocks, we look for financially stable companies with a strong product or service line, low price volatility and historical dividend growth. Dividend paying stocks may lose value due to price declines and dividends are not guaranteed. Investing in non-investment grade or international bonds carries a greater risk of default than

investing in investment grade bonds, however by using mutual funds to invest in these areas the impact of a single issuer's default is greatly reduced. When researching mutual funds, we look for low expense ratios, positive long term performance in relation to comparable funds, and stable manager tenure.

When appropriate, we suggest alternative investments to further diversify portfolios. This may include asset classes such as: real estate, private equity, oil and gas, metals, minerals and other natural resources, collectibles, and private loans. The risk of investing in alternatives tends to be higher than traditional investment vehicles due to lack of liquidity, limited secondary market, higher maintenance/storage costs, as well as market conditions unique to these investments. As applicable, a complete discussion of the risks is set forth in each alternative investment's offering documents, which will be provided to the prospective client for review, acknowledgement and acceptance before investing in such investment.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary events that are material to a client or prospective client's evaluation of our advisory business or the integrity of our management.

The Rikoon Group and our management personnel have no reportable disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Neither The Rikoon Group, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither The Rikoon Group, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

The Rikoon Group is now wholly owned by Hightower Holding, LLC. The recommendation by The Rikoon Group or its representatives that its clients seek services from any firms associated with Hightower Holding, LLC, affiliated entities would present a conflict of interest, because The Rikoon Group or its affiliates would have the incentive to make such a recommendation based upon income generated, rather than a client's particular need. Therefore, The Rikoon Group and its representatives do not recommend that its clients seek services from these affiliated entities. Accordingly, these affiliations do not impact the investment advisory services provided by The Rikoon Group, which maintains its independence with regard to investment style, operations, personnel and all other areas relevant to client service and portfolio management.

The Rikoon Group does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

The Rikoon Group has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at The Rikoon Group must acknowledge the terms of the

Code of Ethics annually, or as amended. Annually each employee must certify that he/she has complied with the Code of Ethics during that year. Employees are required to report any violations of the Code of Ethics promptly to Kyle Burns, President and Chief Compliance Officer.

The Rikoon Group's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Kyle Burns at kyle.burns@rikoongroup.com.

Occasionally, investment objectives of clients are similar to that of the Advisory Representatives of the Advisor, and this may lead to personal investments made in the same investments as clients. The Rikoon Group's Advisory Representatives and associated persons are required to follow The Rikoon Group's Code of Ethics. Subject to satisfying this policy and applicable laws, Advisory Representatives of The Rikoon Group may trade for their own accounts in securities which are recommended to and/or purchased for the Advisor's clients. This may present a conflict of interest however the Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of The Rikoon Group will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between The Rikoon Group and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with The Rikoon Group's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. The Rikoon Group will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

There may exist rare occasions when The Rikoon Group will sell a particular security for one of our clients (for example, because the client needs to raise cash or is changing investment priorities) at the same time that we buy the same security for another client. By identifying a particular security and instructing a broker to sell from one account and purchase in the other, The Rikoon Group follow best execution policies to ensure that clients are not disadvantaged.

Item 12 – Brokerage Practices

In the event that the client requests that The Rikoon Group recommend a broker-dealer/custodian for execution and/or custodial services, The Rikoon Group generally recommends that investment advisory accounts be maintained at Schwab and/or TD Ameritrade. Prior to engaging The Rikoon Group to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with The Rikoon Group setting forth the terms and conditions under which The Rikoon Group shall advise on the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that The Rikoon Group considers in recommending Schwab and/or TD Ameritrade (or any other broker-dealer/custodian to clients) include historical relationship with The Rikoon Group, financial strength, reputation, execution capabilities, pricing, research, and service. Although the transaction fees paid by The Rikoon Group's clients shall comply with The Rikoon Group's duty to obtain best execution, a client could pay a transaction fee that is higher than another qualified broker-dealer might charge to affect the same transaction where The Rikoon

Group determines, in good faith, that the transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although The Rikoon Group will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions. Transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, The Rikoon Group's investment advisory fee.

Non-Soft Dollar Research and Benefits: Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, The Rikoon Group can receive from Schwab and/or TD Ameritrade (or another broker-dealer/custodian, investment manager, platform sponsor, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist The Rikoon Group to better monitor and service client accounts maintained at such institutions. Included within the support services that can be obtained by The Rikoon Group can be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support-including client events, computer hardware and/or software and/or other products used by The Rikoon Group in furtherance of its investment advisory business operations.

The Rikoon Group's clients do not pay more for investment transactions effected and/or assets maintained at Schwab or TD Ameritrade as the result of this arrangement. There is no corresponding commitment made by The Rikoon Group to Schwab, TD Ameritrade, or any other any entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement. **ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflict of interest presented by such arrangements.**

Directed Brokerage. The Rikoon Group recommends that its clients utilize the brokerage and custodial services provided by Schwab and/or TD Ameritrade. The Firm generally does not accept directed brokerage arrangements (when a client requires that account transactions be affected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by The Rikoon Group. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. **Please Note:** In the event that the client directs The Rikoon Group to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through The Rikoon Group. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

Order Aggregation. Transactions for each client account generally will be affected independently, unless Firm decides to purchase or sell the same securities for several clients at approximately the same time. Firm may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable

commission rates or to allocate equitably among Firm's client's differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Firm shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 – Review of Accounts

Investment Supervisory Services involve ongoing monitoring of clients' managed portfolios. Internal reviews are conducted by Advisory Representatives and occur no less than quarterly. Reviews may occur more frequently depending upon individual circumstances and the nature and/or complexity of the portfolio. Internal reviews may also occur as a result of market conditions, at the time of significant deposits or withdrawals, or as otherwise determined by the Advisor. The Advisor requests that clients keep in regular contact with the Advisor and meet with the Advisor (in person or telephonically) at least annually to ensure the investment plan/strategies continue to be aligned with the clients' stated individual needs, goals, objectives, time horizon and risk tolerance. Clients are obligated to *promptly* inform the Advisor of any change in the client's financial condition or circumstances in order to provide the Advisor with an opportunity to consider the current information and if any changes in the investment strategy/plan are appropriate.

All client investment accounts are reviewed by Kyle Burns, President, or the designated advisor associated with an account.

Clients can expect to receive transaction confirmations as they occur and monthly or quarterly account statements from the broker-dealer, bank or other qualified custodian where the assets are held. The client may elect to receive transaction confirmations and statements from the broker-dealer, bank or other qualified custodian electronically, otherwise they will be mailed. Clients may access portfolio information at any time via the custodian's website. Additionally, The Rikoon Group prepares and mails quarterly portfolio statements. Other reports are available upon request.

Financial Consulting Services are generally provided on an hourly or project base, therefore they are not ongoing in nature and terminate upon the delivery of services. These services do not provide for reviews or follow-up services unless specifically outlined in the Client Agreement or the client engages the Adviser for Investment Supervisory Services in conjunction with, or following services. Where reviews are not provided as part of the engagement, it is the client's obligation to secure additional or follow-up services with the Advisor at the client's discretion.

Item 14 – Client Referrals and Other Compensation

The Rikoon Group may refer clients or potential clients to use Red Pine Reliance LLC (RPR), or other third-party administrators (TPAs) for trust administrative services only. The terms and conditions under which the client shall engage TPAs are set forth in a separate written agreement between the TPA and the client. No client or potential client is under any obligation to engage any TPA for trust administrative services. Clients or potential clients are free to choose among various TPAs to provide these kinds of services. The Rikoon Group reserves the right to resign as investment advisor at any time should the relationship with any trust administrator not work. The Rikoon Group does not receive economic benefit for referrals to any TPA, nor for maintaining an ongoing relationship. Referrals to TPAs may be deemed to have potential conflicts of interest.

As indicated at Item 12 above, The Rikoon Group can receive from Schwab and/or TD Ameritrade without cost (and/or at a discount), support services and/or products. There is no corresponding commitment made by The Rikoon Group to Schwab, TD Ameritrade, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements. **ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding potential conflicts of interest presented by such arrangements.**

The Rikoon Group does not maintain any active solicitor arrangements (i.e. individuals or entities who introduce prospective clients to The Rikoon Group for compensation). The Rikoon Group continues to compensate former solicitor, Charles Schwab & Co., Inc., for legacy referrals.

Item 15 – Custody

The Rikoon Group shall have the ability to deduct its advisory fee from the client's custodial account. Clients are provided with written transaction confirmation notices, and a written summary account statement directly from the custodian (i.e., Schwab, TD Ameritrade, etc.) at least quarterly. **Please Note:** To the extent that The Rikoon Group provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by The Rikoon Group with the account statements received from the account custodian.

Please Also Note: The account custodian does not verify the accuracy of The Rikoon Group's advisory fee calculation.

In addition, The Rikoon Group engages in other services or activities (i.e., Trustee service, third party standing letters of authorization/bill payment, and password possession) that are disclosed at Item 9 of Part 1 of Form ADV, and require that the Firm undergo an annual surprise CPA examination. **ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

Item 16 – Investment Discretion

For clients who choose Discretionary Investment Supervisory Services, The Rikoon Group usually receives discretionary authority from the client at the outset of the relationship via the broker-dealer's Limited Power of Attorney form signed by the client. The Rikoon Group has complete discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients may specify or impose reasonable restrictions on individual securities or types of securities (for example socially responsible investments or inherited positions) for which the client does/does not want to be invested in. **ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions regarding this Part 2A.**

Item 17 – Voting Client Securities

As a matter of firm policy and practice, The Rikoon Group does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. The client will receive proxies or other solicitations directly from the

custodian or transfer agent. Clients are welcome to contact The Rikoon Group with any questions regarding particular solicitations.

Item 18 – Financial Information

The Rikoon Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

ANY QUESTIONS: The Rikoon Group's Chief Compliance Officer, Kyle Burns, remains available to address any questions regarding this Part 2A.