



WhaleRock  
POINT PARTNERS, LLC

## Professional Investment Management

March 16, 2021

WhaleRock Point Partners, LLC  
Suite 1400  
One Turks Head Place  
Providence, RI 02903  
(p) 401-228-7799  
(f) 401-228-7648  
[www.wrpoint.com](http://www.wrpoint.com)

### Form ADV Part 2A Brochure

This brochure provides information about the qualifications and business practices of WhaleRock Point Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 401-228-7799. 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.

Additional information about WhaleRock Point Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

WhaleRock Point Partners, LLC ("WhaleRock") is a Registered Investment Adviser. This registration does not imply a certain level of skill or training. Law requires WhaleRock to register with the SEC because the assets under its management exceed the maximum allowed to be exempt from registering.

[Go to Contents](#)

## Item 2: Material Changes

This section of the brochure highlights material changes in our disclosures since the last annual update.

There are no material changes since the last annual update of this Form ADV Part 2A filed on 03/16/2020. Material changes relate to WhaleRock Point Partners, LLC's policies, practices or conflicts of interests.

Currently, our Brochure may be requested by contacting Tyson C. Reed, Chief Compliance Officer at 401-228-7799 or [treed@wrpoint.com](mailto:treed@wrpoint.com). Our Brochure is available on our web site [www.wrpoint.com](http://www.wrpoint.com), also free of charge.

Additional information about WhaleRock Point Partners is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with WhaleRock who are registered, or are required to be registered, as investment adviser representatives of WhaleRock.

### Item 3: Table of Contents

<i>Item 1: Cover Page.....</i>	<i>1</i>
<i>Item 2: Material Changes.....</i>	<i>2</i>
<i>Item 3: Table of Contents .....</i>	<i>3</i>
<i>Item 4: Advisory Business .....</i>	<i>4</i>
<i>Item 5: Fees and Other Compensation .....</i>	<i>6</i>
<i>Item 6: Performance-Based Fees and Side-By-Side Management.....</i>	<i>12</i>
<i>Item 7: Types of Clients .....</i>	<i>13</i>
<i>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss .....</i>	<i>13</i>
<i>Item 9: Disciplinary Information .....</i>	<i>15</i>
<i>Item 10: Other Financial Industry Activities and Affiliations.....</i>	<i>15</i>
<i>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</i>	<i>16</i>
<i>Item 12: Brokerage Practices .....</i>	<i>17</i>
<i>Item 13: Review of Accounts .....</i>	<i>20</i>
<i>Item 14: Client Referrals and Other Compensation.....</i>	<i>21</i>
<i>Item 15: Custody .....</i>	<i>21</i>
<i>Item 16: Investment Discretion .....</i>	<i>22</i>
<i>Item 17: Voting Client Securities .....</i>	<i>22</i>
<i>Item 18: Financial Information .....</i>	<i>23</i>

## Item 4: Advisory Business

WhaleRock is an investment adviser. Its principal activity is the day-to-day management of its clients' investment assets. These assets are held in individual (separated) client accounts. These accounts are held and maintained by a bank, broker dealer or other qualified custodian. Clients compensate WhaleRock for its investment management service through fees based on a clearly written fee schedule provided to each client. A specific discussion of these fees can be found in Item 5.

WhaleRock was formed in May 2006. It occupied its offices on June 1, 2006 and began managing clients' assets on July 1, 2006. It is owned by Bradley P. Dorman and Tyson C. Reed. Mr. Dorman is the majority shareholder and managing partner. As of December 2020, assets under management for 241 relationships are approximately \$569,020,564.00.

WhaleRock offers tailored advisory service. WhaleRock does not hold itself out as specializing in a particular type of investment advisory service. In general, WhaleRock seeks maximum after-tax investment results for its clients while adhering to each client's written investment policy.

Each client account has a written Investment Policy Statement clearly stating the account's objectives, asset allocation ranges and constraints. Clients have the option to include specific investment directions or restrictions in this statement, if desired. Please see Item 16, Investment Discretion, for further information.

WhaleRock manages nearly all accounts on a discretionary basis. This means it has full authority to determine the securities bought and sold in each account. This authority is granted by each client for each account in a signed Investment Management Agreement. A client may terminate this agreement at any time without penalty. Please see Item 16, Investment Discretion, for further information.

WhaleRock employs third party and proprietary software tools to screen accounts with daily regularity. These tools enable managers to tailor the holdings of accounts and relationships to seek objectives and respect constraints. Using tools that test various characteristics of accounts against their guidelines, we efficiently review accounts individually and in groups, regularly.

These methods review accounts constantly from various perspectives. We believe our proprietary tools create competitive advantages in many aspects of our account management and service delivery capabilities. In particular, we are able to manage large amounts of fixed income securities across numerous accounts. This provides us an ability to offer clients portfolios including directly owned fixed income securities using highly tailored management techniques. Please see Item 13, Review of Accounts, for further information.

In the course of interacting with its clients, WhaleRock will often provide other financial advice, information and counsel. Unless a client enters a special agreement, WhaleRock does not charge specific fees for this service. It is included in the investment advisory service and the client's investment fee schedule. Since inception, WhaleRock has not entered any special service agreements. Please refer to Item 5 Fees and Compensation, for further information.

WhaleRock also provides Retirement Plan Services, as described below. These services pertain to other than individual retirement plans.

## **Retirement Plan Services**

### **A. Types of Retirement Plan Services**

Pursuant to our Investment Fiduciary & Retirement Plan Consulting Agreement (the “Consulting Agreement”), we deliver both discretionary and nondiscretionary investment fiduciary services. The Consulting Agreement allows the Sponsor to select the nature and scope of services it determines to be necessary for the operation of their particular plan.

The Consulting Agreement describes the terms of our arrangement with the Sponsor, including a description of the investment fiduciary services and the fees we charge. Sponsor must sign and submit the Consulting Agreement to us before we perform any investment fiduciary services.

By signing the Consulting Agreement with us, Sponsor agrees that it has selected us as a fiduciary to the plan under ERISA Section 3(21)(A). When Sponsor signs an agreement with us, Sponsor also agrees that the services we provide are necessary for the operation of the plan and our fees are reasonable.

### **B. Description of Investment Fiduciary Services**

As described in the Consulting Agreement, and as elected by Sponsor, we may provide the following services:

#### **Nondiscretionary Investment Fiduciary Services:**

For each of the nondiscretionary fiduciary services described herein, we will solely be making recommendations to Sponsor, and Sponsor retains full discretionary authority to make the final decisions over the assets of the plan. We provide the following non-discretionary fiduciary services:

- 1. Investment Policy Statement:** We will review with Sponsor the investment objectives, risk tolerance and goals of the plan. If the plan does not have an IPS, we will provide recommendations to Sponsor to assist with establishing an IPS. If the plan has an existing IPS, we will review it for consistency with the plan’s objectives. If the IPS does not represent the objectives of the plan, we will recommend to Sponsor revisions to align the IPS with the plan’s objectives.
- 2. Advice regarding Designated Investment Alternatives (“DIAs”):** Based on the plan’s IPS or other guidelines established by the plan, we will review the investment options available to the plan and will make recommendations to assist Sponsor with selecting DIAs to be offered to plan participants. Once Sponsor selects the DIAs, we will, on a periodic basis and/or upon reasonable request, provide reports and information to assist Sponsor with monitoring the DIAs. If a DIA is required to be removed, we will provide recommendations to assist Sponsor with replacing the DIA(s).
- 3. Advice regarding Model Asset Allocation Portfolios (“Models”):** Based on the plan’s IPS or other guidelines established by the plan, we will make recommendations to assist Sponsor with creating risk-based Models comprised solely among the plan’s DIAs. Once Sponsor approves the Models, we will provide reports, information and recommendations, on a periodic basis, designed to assist Sponsor with monitoring the Models. Upon reasonable request, and depending upon the capabilities of the record keeper, we will make recommendations to Sponsor to reallocate and/or rebalance the Models to maintain their desired allocations.

### **Discretionary Investment Fiduciary Services:**

For each of the discretionary fiduciary services described below, we will exercise discretionary authority over the plan assets. Sponsor's sole responsibility with respect to these services is to prudently select and monitor us, and we will select, monitor and replace the investments as described more thoroughly below.

Section 402(c)(3) of ERISA allows Sponsor to delegate responsibility for selecting, monitoring and replacing plan assets to an "investment manager" that meets the requirements of Section 3(38) of ERISA. Section 405(d)(1) of ERISA provides that if an investment manager is properly appointed, then "no trustee shall be liable for the acts or omissions of such investment manager or managers, or be under an obligation to invest or otherwise manage any asset of the plan which is subject to the management of such investment manager." We are registered as an investment adviser under the Investment Advisers Act of 1940 (the "Act"), and we have acknowledged our fiduciary status to the plan under ERISA. Therefore, we are qualified to serve as an investment manager under Section 3(38) of ERISA and we are doing so with respect to the following services:

- 1. Selection, Monitoring and Replacement of DIAs:** We will review with Sponsor the investment objectives, risk tolerance and goals of the plan and provide to Sponsor an IPS that contains criteria from which we will select, monitor and replace the plan's DIAs. Once approved by Sponsor, we will review the investment options available to the plan and will select the plan's DIAs in accordance with the criteria set forth in the IPS. On a periodic basis, we will monitor and evaluate the DIAs and replace any DIA(s) that no longer meet the IPS criteria.

**Creation and Maintenance of Models:** We will create a series of risk-based Models comprised solely among the plan's DIAs; and, on a periodic basis and/or upon reasonable request, we will reallocate and rebalance the Models in accordance with the IPS or other guidelines approved by Sponsor.

[Return to Contents](#)

## **Item 5: Fees and Compensation**

Clients and prospective clients should be aware:

- how their assets may incur fees or charges while being invested
- who assesses the fees
- who receives the fees
- what service is provided to the client in exchange for the fees

All investors in publicly traded securities are subject to fees. Under this Item we will clearly state the types and amounts of fees WhaleRock's clients will or may incur, the source of the fees and the service provided.

WhaleRock is compensated only from investment management fees on client assets as clearly described in each client's fee schedule. WhaleRock **is not** compensated from the costs of:

- trading activity in client accounts
- third party investment management

- administration and other custody activities

#### WhaleRock's Management Fees for Services Other Than Retirement Plan Services

Unless otherwise agreed, account management fees are based on a percentage of the value the assets under the investment management agreement for each account: WhaleRock charges fees monthly, in arrears. This means fees are charged and collected after investment management services are provided.

There are several methods to determine the value of the assets managed in an account during any period. The value at the end or the beginning of the period and the average value of the account during the period are three common methods used by investment advisers.

WhaleRock calculates its fees based on the accounts' values on the last day of the period (month). However, if an account is managed by a sub-adviser using a different method to determine its fees, WhaleRock will use that same method for that account so clients can easily evaluate the fees assessed in their account(s). Sub-advisers are defined below, under this Item.

WhaleRock uses one of two methods when determining the fee rate applied to the monthly account valuation:

- a constant fee rate ("flat fee schedule")
- an average fee rate calculated by the application of declining fee rates to layers (tiers) of asset value as account valuations increase ("a regressive fee schedule")

For each account, the methods used to value the account and to determine the fee rate are clearly stated in the account's fee agreement and neither method changes unless the client consents to a change in a new fee agreement.

In general, a flat fee schedule is used for accounts that are:

- invested solely in fixed income securities (bonds)
- managed by a sub-adviser using a flat fee schedule
- part of a "fee relationship" where a flat fee has been negotiated

All other accounts where the investment management fee is based on the value of assets being managed use a regressive fee schedule.

A "fee relationship" groups accounts for fee calculations. Every account is assigned to one fee relationship. Accounts related through a fee relationship may benefit from lower average fees if the accounts are part of a regressive fee agreement and the total value of this relationship exceeds thresholds described in the fee agreement.

A "client relationship" is a broad term that is used to group accounts belonging to the same client and other clients that are "related" because of family or legal relationships. WhaleRock uses various relationship groupings to organize accounts to better manage clients' assets and to provide customized reports for internal or for client use. An account's fee relationship may be independent of these other relationships.

WhaleRock does not bill clients for investment management services. After calculating its monthly fees, WhaleRock submits a schedule of its fee assessments to the custodian of the accounts being assessed and the custodian deducts the fee from each account and remits it to WhaleRock. A transaction clearly describing the deduction as an investment management fee appears on the account statement that clients receive from their custodian. The fee is based upon the fee agreement between the client and WhaleRock.

Clients may choose to have the management fees incurred by one or more of their accounts assessed to another of their accounts managed by WhaleRock.

The following tables and notes describe WhaleRock's fee schedules. The schedules below are our standard rate structure. Some client fees have been negotiated and differ from these schedules. In general, clients that hired WhaleRock within the first six months of its operation were offered reduced fee schedules. In general, WhaleRock rarely negotiates fees.

Fees are assessed to market values at the following annual rates:

First \$1,000,000 of market value	1.10%
Next \$2,000,000 of market value	0.90%
Next \$2,000,000 of market value	0.75%
On accounts in excess of \$5,000,000	0.60%
Accounts that are 100% Fixed Income	0.35%

To calculate the fee, the market values, including the accrued interest of fixed income securities, of all accounts in a fee relationship are totaled. The annual rate of each fee tier is applied to the value of the assets in its tier and those fee amounts are totaled. This total is divided by the total market value of the fee relationship. This figure is equal to average annual rate fee rate for the fee relationship during the period. This annual rate is then divided by 12 to determine the monthly rate and that figure is applied to the market value of each account in the fee relationship to determine each account's fee. This procedure is repeated each month.

WhaleRock may prorate fees in accounts where the investment management agreement is initiated or terminated on a date creating less than a full month of investment management for either the initial or final month of the agreement or when assets are temporarily withdrawn from the account.

Account fee rates are clearly stated in each account's fee agreement.

#### Custodial Fees

In the electronic world of modern investing, the necessity and costs of custodial services are unavoidable. In some investment platforms, the custody service is "built-in" to the investment management service and the fees associated with those services are bundled into the fees or commissions received by the investment professional. Clients of independent investment advisers, like WhaleRock, ordinarily use an unrelated entity to act as custodian of their assets.

Each of WhaleRock's clients' accounts is held by a "qualified custodian". Clients choose their custodian and may change their custodian. All custodians provide the safe keeping and administration of securities, tax



information reporting and account statements. Custodians may provide other services and offer other benefits such as internet access, wire transfers, automatic bank account deposits, etc. Examples of actual client custodian choices include: Bank of America, JP Morgan, Wilmington Trust, Washington Trust, US Trust and Fidelity.

Custodians charge a fee for basic services and fees for non-routine services such as wire transfers. These “custody fees” will vary by custodian, account size and relationship size. Custodians’ fees are either determined by a flat or regressive rate schedule based the market value of assets in the account, a charge per transaction in the account or a combination of both. Some custodians require a minimum annual fee per account.

When choosing or reviewing the choice of a custodian, WhaleRock helps clients and prospective clients acquire and evaluate information about custody costs and services.

Accounts that may require special tax administration like IRAs, pensions, other retirement plans and similar entities may be subject to annual administration fees or termination fees. If a client engages a custodian to act as trustee or co-trustee, those trustee fees are additional. Custodians disclose their fees in the custodial agreement that is signed by clients for every account.

#### Brokerage Fees

To purchase and sell exchange traded securities in client accounts, WhaleRock engages independent securities brokers. Open end mutual funds (defined below) are acquired through the client’s custodian. The custodian purchases the shares directly from the mutual fund issuer. WhaleRock does not purchase mutual fund shares for clients that are subject to any sales charges or redemption charges. Some clients use custodians that charge standard transaction fees for mutual fund purchases. WhaleRock is not compensated by any of the commissions or fees associated with these transactions.

For securities traded on US stock exchanges, WhaleRock has set commission rates regardless of the size of the transaction or the broker. The types of securities traded under this commission arrangement include but are not limited to: common and preferred stock, American Depositary Receipts (ADR), exchange traded funds (ETF), closed end mutual funds and master limited partnerships (MLP).

Securities purchased on foreign stock exchanges are subject to a commission on the principal amount of the trade. When these overseas securities settle in currency other than US dollars (USD), it is necessary to convert USD to the foreign currency. The cost of this service is embedded in the exchange rates used in the transaction. The details of the currency exchange costs are not easily determined. However, the costs are within the range of reasonable exchange rate expense. The clients’ custodian provides the currency exchange service. WhaleRock is not compensated by any of the commissions or fees associated with these transactions.

When exchange traded securities are sold, regulatory entities may charge small fees to fund the expense of their regulatory activities. Securities activity on foreign exchanges may also incur small regulatory fees. The executing broker collects these fees from the sale proceeds before the proceeds are delivered to clients.

#### Third Party Expense Fees

Third party expense fee is a term we use to describe the costs of owning shares or units of a pooled investment vehicle in the form of a public security managed by another investment adviser in an account WhaleRock manages. The most common forms of this type of investment are mutual funds and exchange traded funds (ETFs) but there are other forms of this investment type.

The SEC regulates the operation of these investment advisers. The term public security means that the shares/units of these investments are securities registered with the SEC and are available to the public. These shares/units have defined expenses and these are public information.

These expenses are often called internal expenses. The independent investment adviser assesses and collects these expenses, daily, by deductions of cash from the pooled portfolio. The price or value of a share/unit of the pooled investment is net of (after) these internal expenses.

Some of these securities types are traded on stock exchanges and others are issued and redeemed, as needed, by the independent investment company.

When the ownership of shares/units are acquired or transferred to other investors on the stock exchange, the investors will incur brokerage fees. The value of the shares/units is determined by the price agreed between the buyer and seller in the same manner as other securities that are traded on a stock exchange. This type of ownership transfer is defined as having occurred in “the secondary market”.

The price of these shares/units in the secondary market may be higher or lower than, or the same as, the value a fractional share of ownership in the net assets of the investment pool. Many factors including the buying demand for ownership of these shares/units will affect the price of these shares/units in the secondary market.

When the ownership of shares/units is acquired directly from the investment company and is redeemed by the investment company, the ownership transfer is said to have occurred in “the primary market”. In this case, the price of the share/unit is determined directly from the value of fractional share of ownership in the net assets of the investment pool.

Investors generally refer to this arrangement as a “mutual fund”. Technically, this describes an “open end mutual fund” because the investment company can create new shares for new investments and redeem shares when investments are withdrawn.

Some open end mutual funds charge sales fees for some investments. Some of these fees take the form of sales charges on the purchase of shares (“front-end load”) and some take the form of sales charges on the redemption of shares (“back-end load”). In general, investors refer to these funds as “loaded funds” to mean that the shares have some type of sales charge. WhaleRock does not acquire the shares of any fund that does or may incur any sales fees. We only acquire “no-load shares” for our clients.

If a client transfers asset to their account that includes shares of funds that have back-end loads, then these deferred sales charges may still be incurred when those shares are sold. The deferred sales charges may be reduced and then be eliminated by the independent investment company after the client has owned the shares for a period of time defined in the fund’s prospectus.

WhaleRock is not compensated by any of the third party expense fees associated with any of these holdings.

Some of these funds issue more than one “share class” and the expenses for each share class are often different. In some cases, mutual funds allow investment advisers like WhaleRock to purchase share types with lower expense structures for its clients than those available to independent investors.

After assessing many factors including the costs of owning these securities, WhaleRock may invest clients’ funds in pooled investment vehicles providing efficient exposure to select assets or specialty investment strategies.

The information on the types and amounts of the internal expenses of these securities is available from the independent investment company by mail and is usually available electronically. WhaleRock will provide clients this information on request.

### Sub-Adviser Fees

A Sub-Adviser expense fee is a term we use to describe the costs of engaging another investment adviser within an account or within a relationship WhaleRock manages where the means of engagement is not through an acquisition of a public security.

A sub-adviser is employed when it offers a unique strategy or expertise.

When a client engages a sub-adviser, distinct documents are necessary to make the arrangements. The use of a sub-adviser (as it is defined here) is not part of WhaleRock’s discretionary authority. Clients are fully informed before deciding to use a sub-adviser and a client’s written agreement is necessary.

When a sub-adviser is engaged, that adviser is subject to federal and state regulations requiring proper disclosures regarding its operations. These disclosures will explain the fees and compensation of the sub-adviser.

Depending on the preferences of the sub-adviser and WhaleRock, payment of investment management expenses of the sub-adviser may be collected by WhaleRock and remitted to the sub-adviser or may be collected directly by the sub-adviser. Clients are informed of the method used and the method is not changed without client approval.

When engaging a sub-adviser, a client enters a fee agreement explaining WhaleRock’s compensation, if any, and the sub-advisers compensation and the fee collection method.

### Retirement Plan Services' Fees

Fees for services under the Consulting Agreement ("Fees") are negotiable. Fees are charged based on a percentage of the assets under management whereby fees range from 0.25% to 0.75%.

Our Fees are based upon the plan's total assets as calculated by the plan's record keeper or custodian. The exact Fees we charge for our services are disclosed in the Consulting Agreement. In cases where the Consulting Agreement is either established or terminated during a calendar quarter, the Fees are pro-rated for the time period that the Retirement Plan Investment Fiduciary Services were provided. Fees are charged quarterly, in arrears unless another method is specifically agreed to in writing.

These asset-based Fees are automatically calculated by the plan's record keeper or custodian and deducted from the plan and paid to us as authorized by Sponsor in the Consulting Agreement, unless otherwise specified in writing.

Sponsors receiving Retirement Plan Investment Fiduciary Services may pay more or less than sponsors might otherwise pay if purchasing similar services through another service provider. There are several factors that determine whether the costs would be more or less, including, but not limited to, the size of the plan and the frequency of the services.

All fees we receive for Retirement Plan Investment Fiduciary Services are separate and distinct from the fees and expenses charged by mutual funds, variable annuities and exchange traded funds to their shareholders. These fees and expenses are described in each investment's prospectus. These fees will generally include a management fee, other expenses, and possible distribution fees. If the investment also imposes sales charges, the plan or its participants may pay an initial or deferred sales charge. Accordingly, the Sponsor should review both the fees charged by the funds, the fund manager, the plan's other service providers and the Fees we charge to fully understand the total amount of fees to be paid by the plan.

No increase in the Fees will be effective without prior written notice.

[Return to Contents](#)

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

WhaleRock does not charge any performance-based fees (fees based on a share of capital appreciation of the assets of a client's account(s) under management).

The importance of this item is that an adviser may create conflicts of interest between its interests and other clients' interests because of its potential focus on accounts where it is compensated based on account performance.

[Return to Contents](#)

## Item 7: Types of Clients

WhaleRock provides investment supervisory services and manages investment advisory accounts for individuals, trusts, estates, family limited partnerships, charitable organizations, corporations and other legal entities, and pension and profit sharing plans.

All clients engage and open accounts(s) with a US based institutional custodian. These institutions are required to comply with federal and local financial regulations and statutes including The Patriot Act, OFAC and the “know your customer” process. WhaleRock is not restricted from engaging any types of clients or particular clients provided they meet the standards of these institutions. WhaleRock relies on the due diligence processes of these institutions to comply with SEC regulations applicable to such matters.

[Return to Contents](#)

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

### Methods of Analysis

WhaleRock’s view of the markets is premised upon the belief that asset prices and returns are driven primarily by trends in corporate earnings, economic growth, inflation, interest rates and liquidity. Individual asset classes respond differently to these variables at different points in the economic cycle, depending on fiscal and monetary policy, social policy, consumer confidence and saving, pricing power, market valuations and investor positioning.

WhaleRock begins the investment process with a top-down analysis of a wide range of macro economic, political, social and market related data in an effort to identify the key structural and cyclical themes driving the global economy. From this ongoing analysis, we develop forecasts of expected asset class returns and general investment themes. These themes complement the conclusions drawn from our top down analysis of the global investment environment.

After developing our long term, secular investment themes, we use a combination of fundamental and technical analysis to select individual securities that complement our top down approach.

Fundamental analysis is an investment methodology that uses quantitative economic and financial data to make both quantitative and qualitative judgments about the intrinsic value of securities. In general, if the analysis reveals that the intrinsic value of a security is higher than its current price, it is attractive to own. If the intrinsic value of a security is lower than its current price, is not an attractive investment.

Technical analysis is another valuable investment methodology that uses market activity data to predict future price movements. In general, it is a study of the depth of supply and demand for a security using the actual transaction data history of securities.

Although both are useful and important methodologies, WhaleRock relies more heavily on the analysis of fundamental data such as a company’s balance sheet, income and cash flow statements, earnings forecasts, profit margin and other important financial information in making security selections. We favor companies that are leaders in their industry, have high and/or increasing levels of cash flow, manageable debt and stable and consistent management.

Once a security has met our fundamental criteria and complements our higher-level investment theme, we utilize technical analysis to shape our final judgments on whether staging buy or sell orders is necessary and may add value. Staging an order relates to whether the order is completed all at once or gradually or if we set price limits or if we ask our broker to use simple or sophisticated trade programs to complete the trade. In those cases, part of the decision process includes analysis of trading price and volume data, relative strength indicators to gauge momentum, analysis of 50 and 200-day moving averages, i.e., technical analysis.

We have access to a suite of technical analysis tools through our subscription to the Bloomberg data analytics service and complement it with other subscriptions to equity research and analysis services. We use technical analysis only to complement fundamental conclusions.

WhaleRock utilizes a number of financial resources throughout its investment process including, but not limited to, research materials prepared by third party research firms, annual company reports, financial newspapers and magazines, investment newsletter subscriptions, filings with the SEC, corporate bond rating services and company press releases.

The methods described above apply specifically to equity securities and generally to all securities. When choosing fixed income securities, the process also involves a review of the credit worthiness of the issuer. In many cases, the issuer may not meet our satisfaction as an equity investment but will as a debt investment. If we hold a bond in any account, our fundamental credit analysis satisfies us that the issuer will make uninterrupted debt repayment.

When selecting third party advisers or sub-advisers, we examine the adviser's history, results and cost. We attempt to verify the adviser has demonstrated results that are competitive and consistent with its investment strategy and we closely consider potential reasons the adviser may not be able to continue its competitive performance. We monitor these advisers to measure their future results meet or exceed our expectations.

### Investment Strategies

WhaleRock offers customized investment advisory service. WhaleRock does not hold itself out as specializing in a particular type of investment advisory service or strategy. In general, WhaleRock invests in a mixture of asset classes including but not limited to equities and fixed income securities. We seek maximum after-tax investment results for each client while adhering to each client's written investment policy. Many accounts invest only in fixed income securities and some invest only in equity securities. Most accounts are a mixture of asset classes.

To develop a proper core investment strategy, WhaleRock works closely with clients to construct a specific and detailed Investment Policy Statement ("IPS"). The IPS serves as the investment roadmap for WhaleRock and the client. It clearly defines each account's goals, objectives and asset allocation ranges. It describes any of the account's investment constraints including risk tolerance, time horizon, income needs, liquidity requirements and legal and tax issues. WhaleRock believes that over long periods, asset allocation is the primary determinant of investment performance and that implementing and maintaining the appropriate asset allocation for each client's objectives is paramount. We review and update the IPS at each client review meeting.

Overall, our process employs broad diversification, systematic portfolio risk management, and internal management. When appropriate for, and approved by, clients, WhaleRock may appoint a high quality sub-adviser to manage client assets.

#### Risk of Loss

During the IPS process, WhaleRock educates its clients on the risks of holding various types of securities and explains that all securities purchased by WhaleRock for their account are subject to investment risks including but not limited to market risk, regulatory risk, currency risk and security specific risk. Although WhaleRock continually attempts to assess and manage risk in all accounts, clients should be prepared to bear losses that can occur from any market exposure.

#### [Return to Contents](#)

### Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of WhaleRock or the integrity of WhaleRock's management.

WhaleRock and its personnel have no history of any disciplinary events and, therefore, have no information applicable to this Item.

#### [Return to Contents](#)

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

WhaleRock's principals have affiliations with other financial industry entities. WhaleRock or its principals may affiliate with more financial industry entities or may pursue other activities in the financial industry.

#### Other Activities

Presently, WhaleRock, its principals and its employees are not engaged in other activities in the financial industry. However, WhaleRock's principals explore interesting proposals and ideas concerning other activities in the financial industry as they are brought to our attention.

WhaleRock and its related persons may engage other activities in the financial industry in the future. If this occurs, it would be a "material change" to this disclosure and we would fully inform all clients of it.

#### Current Affiliations

Mr. Dorman has affiliations with three (3) financial industry entities:

- BR Crimson Partners, LLC ("BRC")
- China Opportunity Partners, LLC ("COP")

- Trophy Property Development, LP (“TPD”)

BRC was formed in February 2008 and Mr. Dorman and Mr. Richard Cavanagh were its managing members. Currently, Mr. Dorman is the managing member having redeemed Mr. Cavanagh’s interest.

COP was formed in February 2008 and BRC is its managing member. COP was dissolved in 2017.

BRC created COP to allow investors to pool their investments to gain access to TPD. TPD is a private equity limited partnership investing ~\$1.1 billion in commercial real estate development in mainland China over a seven to nine year period.

Not all the investors in COP were also WhaleRock clients. Mr. Dorman and Mr. Cavanagh were investors in COP.

COP is valued pari passu with TPD. This means that COP’s value is proportionate to TPD’s value after adjustments for administration and management expenses.

#### Future Affiliations

WhaleRock and its related persons may establish affiliations with other financial industry entities. If this occurs, it would be a “material change” to this disclosure and we would fully inform all clients of it.

#### [Return to Contents](#)

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

#### Code of Ethics

WhaleRock has adopted a Code of Ethics (“the Code”) for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code orients new employees to ethics rules and requires all covered persons to certify, at least annually, their understanding and compliance with the Code. WhaleRock strives to ensure that all personnel act in accordance with applicable regulations governing registered investment advisers as well as the standards set forth in the Code.

The Code’s design intends to prevent prohibited acts and eliminate potential conflicts of interest with respect to the investment and reinvestment of clients’ assets. WhaleRock’s clients and prospective clients may request a copy of the Code by contacting Tyson Reed.



### Participation or Interest in Client Transactions and Personal Trading

We maintain strict guidelines in the Code, for all our employees, designed to assure that we, or persons associated with us (“covered persons”), may not benefit, directly or indirectly, from transactions made for the accounts of clients and that no other conflict of interest exists.

However, the Code does not prohibit covered persons from buying or selling securities held by clients. We have imposed restrictions upon covered persons in connection with the purchase or sale, directly or indirectly, for their own account or accounts controlled by them, of securities recommended to or purchased for clients.

We may buy or sell securities for clients that covered persons own or may purchase. The Code’s personal trading rules are designed to assure that the personal securities transactions, activities and interests of the employees of WhaleRock 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 and other covered persons to invest for their own accounts.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with WhaleRock's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at the same average price.

When aggregated orders are not fully executed, WhaleRock retains a record of the data compiled to create the order. This data specifies the accounts participating in the order and the intended allocations. The partially filled orders are allocated on a pro rata basis to all accounts including affiliated accounts. Any exceptions are explained on this record.

[Return to Contents](#)

## Item 12: Brokerage Practices

Please refer to Item 5 for additional information about brokerage and brokerage costs.

WhaleRock is not a securities broker and does not execute securities transactions. We place orders with brokers to buy and sell securities for the accounts we manage.

Unless a client specifically directs us to place brokered transactions for their account(s) with a particular broker, we select the brokers and dealers to execute clients’ transactions.

When selecting brokers, our first consideration is whether the broker can provide the “best execution” of the particular transaction. Determining best execution includes considerations of:

- the ability to attain the best price
- the reasonableness of broker commissions
- the ability to find suitable and attractive securities (fixed income brokerage)
- the ability to provide accurate and timely trade reporting
- the frequency of administrative errors
- the willingness to be flexible
- the consistency and quality of service

- the ease of communication and delivery of information
- the quality of research

In cases where clients have their account(s) held by a Broker/Dealer (Fidelity, for example), the transactions in those accounts will typically be carried out by that Broker/Dealer. The costs of those transactions are described in the clients' agreement(s) with their custodian and broker.

#### Stock and Other Exchange Based Transactions

WhaleRock has relationships with three (3) institutional brokers for equity exchange transactions. We have experienced no discernable difference in trade execution between the brokers. All brokers charge similar commission rates and a portion of this charge is allocated to soft dollars (defined below). We have had no serious difficulties with any of these brokers' operations.

We communicate most of the trades executed with these brokers through an electronic interface. In some cases, we speak directly with their personnel about the trade.

We have intentionally declined opportunities to engage more brokers for exchange based activity. We believe our clients are best served by their investment adviser having larger relationships with a small number of competent brokers than managing numerous brokerage relationships. We believe that we have more than adequate coverage from these relationships.

#### Fixed Income Transactions

The "bond market" operates very differently from the "stock market". The vast majority of bonds are not traded on exchanges. There is not a set location where bonds trade nor are there firms that consistently "make a market" for particular bonds. There are so many bonds trading in assorted frequency that an exchange system is not practical. Bank of America, for example, has one common stock and over 4,500 debt securities.

When any investor wishes to sell a bond holding, a broker must find a buyer willing to pay the price level agreeable to the seller. If the seller sets a price for the bonds, that price is called the "ask price" and the seller is said to have "offered the bonds out" at that price. The seller can stand fast to that price or can decide to accept a lower price.

When any investor wishes to buy a particular bond, the broker must find a seller willing to accept the price level agreeable to the buyer. If the buyer sets a price for the bond, that price is called the "bid price". The buyer can stand fast to that price or can decide to bid a higher price.

Sometimes a seller directs a broker to solicit "bids" for the bond from market participants without setting an ask price. If one of these bids is acceptable, the seller will direct the broker to accept that price.

This activity of seeking agreeable price levels is similar to what happens on an exchange. The important difference is that the bond market activity is not centralized in the way it is on an exchange. Buyers and sellers of exchange traded securities have defined physical or electronic locations where their brokers submit their bid and ask orders. This organized communication of interest in a particular security creates much greater efficiency in speed of execution and price discovery.

Some bonds trade with regularity and there is enough consistent investor interest in the bonds that there are numerous bid and ask prices posted on electronic trading systems. These bonds trade in a more orderly fashion and the activity resembles that of exchange traded securities.

Most of the larger Broker/Dealer firms hold an inventory of bonds held for resale to its customers. The amount and type of the bonds in this inventory depends on various factors including the size, financial strength and a firm's degree of involvement in various sectors of the bond market. No single firm controls this market or can provide for predominantly all the buying and selling needs of its customers. "Bond traders" manage this inventory for their firm. These traders are said to sit on the "bond desk" or the "trading desk" of their firm.

These dealers working through their traders are an important source of buying demand and selling supply. Many bond purchases and sales are made from and to these inventories. Brokers interact with bond traders within and outside of their own firm to buy and sell bonds for their customers.

In the case of an investor purchasing a bond, the broker may be providing the bond from his firm's inventory or he may be purchasing it from another firm's inventory. Likewise, when an investor sells a bond, the broker may find that his firm's bond desk may purchase the bond or he may find another bond desk that is willing to purchase the bond.

In other cases, the broker may find that there is a buyer for the bond within his firm's customers or that another firm has found a buyer within its customers. In this case, the bond never really enters the inventory of any firm because the firms have matched the seller of the bond with a buyer of the bond and they never truly "take a position" in the bond since all parties to the transactions have agreed to their prices in advance.

Most bonds trade because the owner of the bonds wishes to sell them and a buyer surfaces. It is less common, especially in the municipal sector, that a buyer has identified a particular bond and is searching for an owner to consider a bid. The brokers' efforts to find buyers for these bonds are indispensable since there is no central exchange for most bonds.

Brokers are compensated by price differences between the price the bond is sold and the price the bond is bought. This commission is often referred to as "marking the bonds up". When bonds are traded the activity of the "middleman" is obvious to the dealers, brokers, traders and investment professionals.

However, this activity and the cost of these mechanisms are virtually invisible to most investors. Trade confirmations for exchange activity clearly show the costs of transactions including any exchange or regulatory fees and broker commissions. Bond trade confirmations do not provide information regarding any price markup.

It is important that investors recognize these less visible costs of bond trading activity. Investors benefit when an educated, experienced and objective adviser directs and oversees trades and is able to negotiate and monitor brokers' compensation. Without the presence of this oversight, excessive commissions may add unnecessary costs to investments.

An exception to these practices occurs when new bonds are issued to the market. In these cases the "dealer concession" (mark-up) is fixed by negotiation and all buyers receive the same price. WhaleRock may receive a portion of the dealer's concession on the purchase of new bonds in the form of soft dollars (defined below).

This practice is limited to new issuance only because the dealer concession is set by the market and it removes any potential conflict of interest in our choice of brokerage.

WhaleRock has established numerous brokerage relationships to execute fixed income transactions. Use of these brokers is determined on a trade-by-trade basis and is influenced by a combination of factors in addition to those described above in this Item. The most important of these factors are the characteristics of the bonds offered by the broker as compared to the needs of the client(s) portfolio(s) in question and the cost of the bonds compared to generic market levels and bonds with similar characteristics.

### Initial Public Offerings

WhaleRock may purchase shares in Initial Public Offerings (“IPO’s”) of equity securities for client accounts, if directed by a client in writing or if deemed suitable for investment by WhaleRock. The suitability of an investment is the primary criteria for client participation and WhaleRock endeavors to allocate IPO’s fairly and equitably at execution and over time among those client accounts eligible to receive IPO’s.

Before an order for an IPO is submitted to a broker, WhaleRock creates a tally of shares desired for each client account. If less than the full amount of shares desired is acquired, we prorate the amount acquired among the accounts.

### Soft Dollars

“Soft dollars” is a term the financial industry uses to describe services that may be purchased with commissions paid by an adviser’s clients for the use of the investment adviser’s business activity. When this occurs, the investment adviser directs a vendor of investment services to submit its expenses to the institutional broker/dealer for payment from the adviser’s soft dollar account. The expenses paid by the broker are called soft dollar expenses. WhaleRock does use soft dollars to offset some of the costs of real-time price information from some of the major US stock exchanges, the cost of the Bloomberg data service, the cost of Advent portfolio management and the cost of some research. The benefit of this information is for accounts that buy and sell securities that create the source of the soft dollars. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

This is the only use of soft dollars by WhaleRock.

### [Return to Contents](#)

## Item 13: Review of Accounts

### Review of Accounts

WhaleRock client accounts are reviewed on a regular basis by the portfolio managers. Accounts are screened and reviewed on a virtually daily basis as we test and monitor accounts for their adherence to numerous measures.

An account (computer file) for each client investment account is established and maintained on specialized portfolio management accounting software. This data is updated and reconciled daily with a data feed from each custodian. In addition, WhaleRock maintains a client database to retain and organize other client and account information. The combination of these tools generates flexible information output creating powerful account management capacity.

Managers are able to use these systems as well as other proprietary software tools to monitor the composition of clients' accounts from numerous perspectives. These account reviews are made individually and in combinations of many accounts.

When client circumstances or market conditions warrant or any other pertinent factors surface, additional reviews are initiated. Reviews are undertaken in context with a client's current investment policy guidelines, individual security analysis and client investment considerations.

In addition to the foregoing, all client accounts are reviewed in a formal annual audit process by Mr. Dorman and the Chief Compliance Officer. This process audits and documents the accounts' compliance with the asset allocation ranges, risk levels, legal and tax constraints and any other restrictions or provisions set forth in the accounts' investment policy.

#### *Nature and Frequency of Reports*

Clients choose to receive a monthly or quarterly report from by their Custodian. When requested, WhaleRock will provide a portfolio reports containing similar information. Such information typically includes holdings, cost data, current market values and yield/income estimates. We are able to generate custom reports upon client request. Please refer to Item 15, Custody, for more information about custodian's reports.

[Return to Contents](#)

### Item 14: Client Referrals and Other Compensation

WhaleRock does not have a formal program to compensate non-employees for referrals or introductions to prospective clients and we have never provided any such compensation, so this item does not currently apply.

[Return to Contents](#)

### Item 15: Custody

The term custody has a special definition in SEC rules under The Investment Adviser Act of 1940. The rule specifically states that if an adviser has the authority to deduct its fees directly from its clients' accounts, the adviser is deemed to have "custody" for the purpose of the rules and regulations related to custody.

WhaleRock does have the authority to instruct clients' custodians to deduct its fees directly from its clients' accounts and, therefore, is subject to certain rules and regulations regarding custody.

However, WhaleRock's authority is extended only to buying and selling securities in its clients' accounts and requesting that the custodian deduct its fees (in writing).

Clients should receive monthly or quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. WhaleRock urges you to carefully review such statements and compare such official custodial records to the account reports that we may provide to you.

Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. We observe that our records reconcile with custodian records on a daily basis using professional portfolio management accounting software.

[Return to Contents](#)

## Item 16: Investment Discretion

WhaleRock usually receives full discretionary authority from its clients at the outset of an advisory relationship. This authority allows WhaleRock to buy and sell securities for its clients within their clearly established guidelines. With this discretion, we can respond more efficiently to market events and temporary opportunities to acquire or divest securities at price levels we perceive as attractive. WhaleRock determines the identity and amount of each security transaction.

This authority is established when the client or authorized person(s) sign an Investment Management Agreement with WhaleRock allowing WhaleRock to select the identity and amount of securities bought or sold in the client's account(s). Clients may revoke this authority at any time.

In all cases, however, WhaleRock exercises this discretion in a manner consistent with the stated investment objectives and investment constraints of each client account. When an account is established, WhaleRock creates a written, account specific Investment Policy Statement ("IPS") describing the account's investment objectives and constraints.

The IPS includes fundamental investment considerations such as asset allocation ranges and targets, time horizon, tax and legal guidelines and a description of the account's risk tolerance. Clients choose whether their IPS directions are highly customized or broad.

WhaleRock observes the investment policies, limitations and restrictions of its advisory clients when selecting the identity and amounts of securities bought or sold in each account. The IPS is reviewed at each client meeting and adjusted as clients' guidelines evolve.

[Return to Contents](#)

## Item 17: Voting Client Securities

WhaleRock usually accepts authority from its clients at the outset of an advisory relationship to vote any securities held in the client's accounts.

WhaleRock has adopted a general policy to vote proxy proposals, amendments, consents, resolutions, and other voting instruments relating to investments held in client accounts in a manner that serves the best interests of the client and the value of their investments. A copy of our Proxy Voting Policies and Procedures is available upon request. Clients may request a record of our proxy votes on their behalf.

In general, WhaleRock votes securities as recommended by the Board of Directors of a company because we agree with the Board that voting in such manner is in the interests of our clients as shareholders of the company for the reasons stated by the Board. WhaleRock keeps a record of all instances when it votes in opposition to the board of directors and the rationale for the vote.

We do not assume the role of an active shareholder. Rather than attempt to force management changes through shareholder activism we will typically reduce or eliminate our positions, if we are dissatisfied with the performance or policies of a particular company.

Clients may specify how they wish their securities be voted on any issues and they may revoke this delegation of voting authority at any time by contacting Mr. Dorman, in writing.

[Return to Contents](#)

## Item 18: Financial Information

When an adviser collects its management fees in advance, it must provide certain financial disclosures and financial statements under this Item. Since WhaleRock collects its fees in arrears and never has possession of unearned investment management fees, it is not necessary to provide a balance sheet or other financial statements.

WhaleRock 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.

[Return to Contents](#)