

## Item 1 Cover Page



# Contego Capital Group, Inc.

## Form ADV Part 2 Brochure

This Brochure (the “Brochure”) provides information about the qualifications and business practices of Contego Capital Group, Inc. (“Contego,” the “Adviser,” the “Firm,” “we,” “us” or “our”). If you have any questions about the contents of this Brochure, please contact us at (952) 697-2570. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority. Additional information about Contego also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Contego is 128518.

*Contego is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser’s skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.*

## ***Brochure Prepared on March 29, 2022***

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## **Item 2 Material Changes**

### **Annual Update**

This Brochure contains updated information about Contego's business since the last update dated March 12, 2021. This section of the Brochure will address only those "material changes" that have been incorporated since the last annual delivery of this document on the SEC's public disclosure website (IAPD). The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

### **Material Changes Since the Last Update**

Since the last filing of this brochure on March 12, 2021, the following changes have occurred:

1. Item 4. Advisory Business. Updates to regulatory assets under management.

### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm. Contego will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, Contego's Brochure may be requested by contacting Mr. Ryan Carlson, Chief Compliance Officer at (952) 697-2570 or [ryan@contegocap.com](mailto:ryan@contegocap.com).

Additional information about Contego is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Contego is 128518. The SEC's web site also provides information about any persons affiliated with Contego who are registered, or are required to be registered, as investment adviser representatives of Contego.

## **IMPORTANT NOTE ABOUT THIS DISCLOSURE BROCHURE**

***This Disclosure Brochure is not:***

- ***an offer or agreement to provide advisory services to any person***
- ***an offer to sell nor a solicitation of any offer to purchase any security***
- ***an offer to sell interests or shares (or a solicitation of an offer to purchase interests or shares) in any pooled investment vehicle managed by Contego Capital Group, Inc. or any of its affiliates***
- ***a complete discussion of the features, risks or conflicts associated with any security***

As required by the Investment Advisers Act of 1940, as amended, Contego Capital Group, Inc. provides this Brochure to current and prospective clients and may also, in its discretion, provide this Brochure to current or prospective investors or shareholders in a pooled investment vehicle, together with other relevant governing documents, such as the pooled investment vehicle's prospectus and statement of additional information, private placement memoranda, limited partnership agreement or offering circular, prior to, or in connection with, such persons' investment in a pooled investment vehicle.

Although this publicly available Brochure describes investment advisory services and products of Contego Capital Group, Inc., persons who receive this Brochure (whether or not from Contego Capital Group, Inc.) should be aware that it is designed solely to provide information about Contego Capital Group, Inc. as necessary to respond to certain disclosure obligations under the Investment Advisers Act of 1940, as amended. As such, the information in this Brochure may differ from information provided in relevant governing documents. More complete information about each pooled investment vehicle is included in relevant governing documents, certain of which may be provided to current and eligible prospective investors only by Contego Capital Group, Inc. To the extent that there is any conflict between discussions herein and similar or related discussions in any governing documents, the relevant governing documents shall govern and control.

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## Item 4 Advisory Business

Contego Capital Group, Inc. (“Contego”) (formerly known as Contego Capital Advisors, LLC and Jamieson Capital Advisors, LLC) is a Minnesota based corporation that was formed in October 2003. In June 2015, Contego Capital Advisors, LLC transitioned from a North Dakota limited liability company to a Minnesota limited liability company. In June 2018, Contego Capital Advisors, LLC, a Minnesota limited liability company was converted into Contego Capital Group, Inc., a Minnesota corporation, governed under Chapter 302A of the Minnesota Statutes. The conversion is effective with the Minnesota Secretary of State. Since 2018, Contego has been registered with the SEC pursuant to the Investment Advisers Act of 1940, as amended (*the “Advisers Act”*). Registration of an investment adviser does not imply any level of skill or training.

In 2018, Contego began sub-advising the AlphaCentric Robotics & Automation Fund (the “Fund”), an open-end investment company registered under the Investment Company Act of 1940 (the “1940 Act”). AlphaCentric Advisors LLC (“AlphaCentric”) is the Fund’s investment advisor. Contego is the investment sub-advisor to the AlphaCentric Robotics & Automation Fund. Subject to the oversight and approval of AlphaCentric, Contego is responsible for making investment decisions and executing portfolio transactions for the AlphaCentric Robotics & Automation Fund. In addition, Contego is responsible for maintaining certain transaction and compliance related records of the Fund.

In addition to serving as a sub-adviser, Contego is a registered investment advisor providing investment and planning advice to individuals, businesses, and endowments. Contego is owned 45% by Mr. Robert Branton, 45% by Mr. Brian Gahsman and 10% by Brock Rosemurgy (non-managing partner) Mr. Branton who owned 100% of the shares of Contego Capital, LLC, converted 100% (all) shares into Contego Capital Advisors, LLC of which Mr. Branton owned 100% of the shares of Contego Capital Advisors, LLC. As noted above, Contego Capital Advisors, LLC, converted into Contego Capital Group, Inc. and accordingly, Mr. Branton now owns 45% of Contego Capital Group, Inc.

Officers of the Adviser include: Messrs. Robert Branton, as Chief Executive Officer and Managing Principal; Brian Gahsman as Chief Investment Officer and Portfolio Manager; and Ryan Carlson, as Chief Compliance Officer.

Other professionals (e.g., lawyers, accountants, tax preparers, insurance agents, etc.) are engaged directly by the client on an as-needed basis and may charge fees of their own. For example, tax preparation and to the extent your estate plan needs to be updated, the tax preparer and/or attorney will bill the client separately. Conflicts of interest will be disclosed to the client in the event they should occur.

### **Advisory Services**

Contego Capital Group, Inc.’s portfolio management and investment advisory services are offered (directly or indirectly through a sub-advisory arrangement with the client’s primary investment adviser) to registered investment companies, single-investor funds, discretionary advisory programs, commingled investment vehicles, and institutional investors through separate account management. Contego Capital Group, Inc. currently provides investment management services as an investment advisor on a discretionary and non-discretionary basis through the following types of products: (i) investment companies registered under the 1940 Act (“Open-End Funds”); (ii) individual investors through separately managed accounts (“Separate Accounts”); and (iii) pension and profit sharing plans (each a “Client” and collectively, the “Clients”). The

types of Clients to which Contego provides investment management services are more fully disclosed in Contego's Form ADV Part 1 and summarized in *Item 7 – Types of Clients* of this Brochure.

Contego's AlphaCentric Robotics & Automation Fund (GNXAX, GNXCX, GNXIX) employs proprietary bottom up research to identify companies worldwide with innovation technologies, such as robotics and automation companies, and potential for long-term outperformance. The Fund seeks to achieve its investment objective by investing in a portfolio of U.S. and foreign common stock of companies involved in innovative and breakthrough technologies across multiple sectors. The Fund expects to invest primarily in developed markets but may also invest in emerging markets. The Fund may invest in any company with a market capitalization over \$50 million. The Fund's portfolio will be composed of companies with game changing technologies in sectors such as manufacturing, infrastructure, transportation, energy, healthcare, information technology, media and communications. The Fund is classified as "non-diversified" for purposes of the 1940 Act, which means that it is not limited by the 1940 Act with regard to the portion of its assets that may be invested in the securities of a single issuer.

Contego generally is responsible for investing the assets of each Client account in accordance with the investment objectives, policies and guidelines set forth in the Client's governing documents. With respect to any Client, this Brochure is qualified in its entirety by the Clients' offering memorandum, prospectus, statement of additional information or other similar disclosures and governing documents (collectively, the "governing documents").

AlphaCentric Advisors LLC, a Delaware limited liability company located at 36 North New York Avenue, Huntington, NY, 11743 serves as Advisor to the Fund. The Advisor was formed in February 2014. Management of the Fund is currently its primary business. The Advisor is under common control with Catalyst of Capital Advisors LLC and Rational Advisors, 55 Inc, the investment advisers of other funds in the same group investment companies also known as a "fund complex". Under the terms of the management agreement, AlphaCentric Advisors LLC is responsible for formulating the Funds' investment policies, making ongoing investment decisions and engaging in portfolio transactions. Contego's execution of a sub-advisory agreement with AlphaCentric Advisors LLC, an unaffiliated investment adviser, includes information related to Contego's sub-advisory fee, investment strategy, investment guidelines, termination rights and proxy voting.

### **Asset Management**

Contego Capital Group, Inc. offers discretionary and non-discretionary direct asset management services to advisory clients. Contego Capital Group, Inc. offers clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, assets allocation, portfolio monitoring, and the overall investment program will be based on the above factors.

#### **Discretionary**

When the client provides Contego Capital Group, Inc. discretionary authority the client will sign a limited trading authorization or equivalent. Contego Capital Group, Inc. will have the authority to execute transactions in the account without seeking client approval on each transaction.

#### **Non-discretionary**

When the client elects to use Contego Capital Group, Inc. on a non-discretionary basis, Contego Capital Group, Inc. will determine the securities to be bought or sold and the amount of the

securities to be bought or sold. However, Contego Capital Group, Inc. will obtain prior client approval on each transaction before executing any transactions.

### **ERISA Plan Services**

Contego Capital Group, Inc. provides service to qualified and non-qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit-sharing plans, cash balance plans, and deferred compensation plans. Contego Capital Group, Inc. may act as either a 3(21) or 3(38) advisor:

#### **Limited Scope ERISA 3(21) Fiduciary**

Contego Capital Group, Inc. typically acts as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor Contego Capital Group, Inc. has a fiduciary duty to act in the best interest of the client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using Contego Capital Group, Inc. can help the plan sponsor delegate liability by following a diligent process.

#### **1. Fiduciary Services include:**

- Providing non-discretionary investment advice to the Client about asset and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection, retention, removal and addition of investment options.
- Assisting the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Providing non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.

#### **2. Non-fiduciary Services include:**

- Assisting in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands Contego Capital Group, Inc.'s assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, Contego Capital Group, Inc. is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a participant or beneficiary under the Plan.
- Assisting in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Assisting in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.
- Meeting with Clients periodically to discuss reports and recommendations.

Contego Capital Group, Inc. may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Advisor and Client.

3. Contego Capital Group, Inc. has no responsibility to provide services related to the following types of assets ("Excluded Assets"):
  - a. Employer securities;
  - b. Real estate (except for real estate funds or publicly traded REITs);
  - c. Stock brokerage accounts or mutual fund windows;
  - d. Participant loans;
  - e. Non-publicly traded partnership interests;
  - f. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
  - g. Other hard-to-value or illiquid securities or property.

Excluded Assets will not be included in calculation of fees paid to Contego Capital Group, Inc. under this Agreement.

#### 3(38) Investment Manager

Contego Capital Group, Inc. can also act as an ERISA 3(38) Investment Manager in which it has discretionary management and control of a given retirement plan's assets. Contego Capital Group, Inc. would then become solely responsible and liable for the selection, monitoring and replacement of the plan's investment options.

#### 1. Fiduciary Services include:

- Contego Capital Group, Inc. has discretionary authority and will make the final decision regarding the initial selection, retention, removal and addition of investment options in accordance with the Plan's investment policies and objectives.
- Assisting the Client with the selection of a broad range of investment options consistent with ERISA Section 404(c) and the regulations thereunder.
- Assisting the Client in the development of an investment policy statement ("IPS"). The IPS establishes the investment policies and objectives for the Plan.
- Providing discretionary investment advice to the Plan Sponsor with respect to the election of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5).

#### 2. Non-fiduciary Services include:

- Assisting in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan.
- Client understands Contego Capital Group, Inc.'s assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor's definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, Contego Capital Group, Inc. is not providing fiduciary advice as defined by ERISA to the Plan participants. Contego Capital Group, Inc. will not provide investment advice concerning the prudence of any investment option or combination of investment options for a participant or beneficiary under the Plan.



- Assisting in the group enrollment meetings designed to increase retirement plan participant among the employees and investment and financial understanding by the employees.
- Assisting in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meeting with Client on a periodic basis to discuss the reports and the investment recommendations.

Contego Capital Group, Inc. may provide these services or, alternatively, may arrange for the Plan's other providers to offer these services, as agreed upon between Contego Capital Group, Inc. and Client.

3. Contego Capital Group, Inc. has no responsibility to provide services related to the following types of assets ("Excluded Assets"):

- a. Employer securities;
- b. Real estate (except for real estate funds or publicly traded REITs);
- c. Stock brokerage accounts or mutual fund windows;
- d. Participant loans;
- e. Non-publicly traded partnership interests;
- f. Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or
- g. Other hard-to-value or illiquid securities or property.

Excluded Assets will not be included in calculation of fees paid to Contego Capital Group, Inc. under this Agreement.

Contego Capital Group, Inc. tailors its investment advice to the specific needs of its Clients and is subject to applicable investment restrictions provided in the governing documents for the applicable Clients. Contego works with Clients to formulate appropriate and agreed-upon investment guidelines. Contego works with Clients to determine the feasibility of monitoring proposed restrictions and limitations. Clients who restrict their investment portfolios may experience potentially worse performance results than Clients with unrestricted portfolios even for Clients with similar objectives. Contego reserves the right to reject or terminate any Client that seeks restrictions which Contego is unable to implement or which may fundamentally alter the investment objective of the strategy selected by the Client. Investors who participate in pooled investment vehicles, such as U.S. registered investment companies, may generally not tailor investment guidelines.

#### **401K Consulting Services**

Contego Capital Group, Inc. offers 401K consulting services to individuals. Contego will meet with the client for information gathering and review the investment options available within the plan. Contego will make investment recommendations to the client based on the investment options available and the client's financial objectives in a face to face meeting. Furthermore, Contego will provide three additional quarterly statements to the client based on their investment choices. Clients have the option to hire Contego Capital Group, Inc. on an annual basis for 401K consulting services.

#### **Selection of Other Money Managers**

Contego Capital Group, Inc. solicits the services of Third-Party Money Managers ("TPM") to manage client accounts. In such circumstances, Contego receives solicitor fees from the TPM. This is detailed in *Item 10*

– *Other Financial Industry Activities and Affiliations* of this Brochure. Prior to referring any clients to TPMs, Contego Capital Group, Inc. will make sure that they are properly registered, or notice filed.

### **Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities listed in each client's risk profile form and client agreement. Agreements may not be assigned without prior written client consent.

### **Wrap Fee Programs**

Contego Capital Group, Inc. does not sponsor a Wrap Fee Program. Some TPMs utilized by Contego Capital Group, Inc. may sponsor Wrap Fee Programs of their own and will be described in the TPM's Form ADV Part 2.

### **Regulatory Assets Under Management**

As of December 31, 2021 Contego Capital Group, Inc. managed approximately \$174,571,000 of advisory assets under management on a discretionary basis. The SEC has adopted a uniform method for advisers to calculate assets under management for regulatory purposes which it refers to as an adviser's "regulatory assets under management." Regulatory assets under management are generally an adviser's gross assets, i.e., assets under management without deduction for outstanding indebtedness or other accrued but unpaid liabilities. Contego reports its regulatory assets under management in Item 5 of Part 1 of Form ADV which you can find at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 5 Fees and Compensation**

### **Advisory Fees**

Contego Capital Group, Inc.'s fees generally depend on the services being provided and vary from product to product based on a variety of factors, including but not limited to, the investment mandate or strategy, investment vehicle, degree of servicing required, account/relationship size, market-place conditions and other factors Contego deems relevant. For investment management services, fees typically are expressed as a percentage of the net assets under management. Contego Capital Group, Inc. does not use a performance-based fee structure because of the conflict of interest. Performance based compensation may create an incentive for the Adviser to recommend an investment that may carry a higher degree of risk to the client. See *Item 6 – Performance-Based Fees and Side-By-Side Management* of this Brochure for more information about performance-based fees.

Contego's investment management fees are typically calculated as a percentage of the market value of a Client's assets under management in accordance with its contractual agreements. Fee breakpoints may be available for certain strategies and product types. Contego's standard fee schedules, which are subject to change and may be negotiated, are described below under "Fee Schedules".

In addition to Contego's investment management fee, Clients may incur operating and transaction fees, costs and expenses associated with maintaining their accounts imposed by custodians, brokers, prime brokers and other third-parties. Examples of these charges include but are not limited to custodial fees, margin, deferred sales charges, "mark-ups" and "mark-downs" on trades, odd-lot differentials, transfer

taxes, handling charges, exchange fees (including foreign currency exchange fees), interest to cover short positions, wire transfer fees, electronic fund fees, conversion fees for American Depositary Receipts (“ADRs”) and other fees and taxes on brokerage accounts and securities transactions. Contego does not receive any portion of these commissions, fees or costs. See, however, *Item 12 – Brokerage Practices* of this Brochure for more information about soft-dollars. See also *Item 12 – Brokerage Practices* of this Brochure for more information about conversion fees for ADRs. To the extent Contego should act as a sub-adviser, Contego will receive a portion of the management fee the end Clients pay to the adviser; these Clients do not pay any fees, commissions or expenses directly to Contego.

## **Fee Schedules**

The following provides a basic description of certain advisory fee arrangements, including information on Contego's standard fee schedules. However, fees and other compensation are negotiated in certain circumstances, and arrangements with any particular Client may vary.

### ***Open-End Funds***

Certain AlphaCentric fund(s) subadvised by Contego, pay Contego an advisory fee at a specified annual percentage rate of each subadvised fund's average daily net assets. For each subadvised AlphaCentric Fund, Contego's advisory fee rate is 1.25%. Specifically, as compensation for Contego's advisory services, Open-End Funds typically pay a management fee (accrued daily) that range from 1.10 to 1.25% annually and payable in arrears. The management fee is based upon the applicable Open-End Fund's average daily net assets, which may or may not be net of investment leverage (borrowed capital). This management fee is deducted from an Open-End Fund's assets on a monthly basis. In addition to management fees, administrative fees, and brokerage and transaction costs, investors in the Open-End Fund's will indirectly bear certain other fees and expenses paid by the Open-End Funds, including, but not limited to expenses of the independent trustees of the Open-End Funds, fees and expenses for legal, fund accounting, transfer agency, custodial and auditing services, interest expense, taxes, and other investment-related costs, insurance premiums, extraordinary and non-recurring and certain other unusual expenses. For additional detail on these fees and expenses, please refer to the Open-End Fund's governing documents (i.e., prospectus and statement of additional information). See Item 10 – Other Financial Industry Activities and Affiliations of this Brochure for information about Contego's affiliation with the Open-End Funds. Additional information about the fees charged to the AlphaCentric Funds is available in the Prospectuses, which are publicly available at AlphaCentric's website (<http://alphacentricfunds.com>), or on the EDGAR Database on the SEC's website ([www.sec.gov](http://www.sec.gov)).

### ***Asset Management***

Contego Capital Group, Inc. offers discretionary and non-discretionary direct asset management services to advisory clients. The fees for these services will be based on a percentage of Assets under Management as follows:

<b><u>ELIGIBLE ASSETS</u></b>	<b><u>NET ANNUAL FEE RATES (MAXIMUM)</u></b>
\$250-\$500,000	1.50%
\$500,000.01-\$1,000,000	1.25%
\$1,000,000.01 - \$2,000,000	1.00%
\$2,000,000.01 and over	0.75%

Fees are billed quarterly in advance based on the assets managed as of the last business day of the previous calendar quarter. Initial fees for partial quarters are pro-rated. All annual fees are deducted by the custodian. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-quarter, the client will be entitled to a pro rata refund for the days service was not provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees. Client will acknowledge, in writing, any agreement of increase in said fees before any increase in fees occurs.

For additional detail on these fees and expenses, please refer to the Open-End Fund's governing documents (i.e., prospectus and statement of additional information). See *Item 10 – Other Financial Industry Activities and Affiliations* of this Brochure for information about Contego's affiliation with the Open-End Funds.

### ***ERISA Plan Services***

The annual fees are based on the market value of the Included Assets as follows:

<b><u>ELIGIBLE ASSETS</u></b>	<b><u>NET ANNUAL FEE RATES (MAXIMUM)</u></b>
\$250-\$500,000	1.50%
\$500,000.01-\$1,000,000	1.25%
\$1,000,000.01 - \$2,000,000	1.00%
\$2,000,000.01 and over	0.75%

The initial fee will be based on the market value of the Plan assets as calculated by the custodian or record keeper of the Included Assets on the first business day of the initial fee period and will be due on the first business day of the fee period. If the services to be provided start any time other than the first day of a quarter, the fee will be prorated based on the number of days remaining in the initial fee period. Thereafter, the fee will be based on the market value of the Plan assets on the last business day of the previous fee period (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) and will be due the following business day. If this Agreement is terminated prior to the end of the fee period, Contego Capital Group, Inc. shall be entitled to a prorated fee based on the number of days during the fee period services were provided. Any unearned fees shall be refunded to the Plan or Plan Sponsor.

The compensation of Contego Capital Group, Inc. for the services is described in detail in Schedule A of the ERISA Plan Agreement. The Plan is obligated to pay the fees; however, the Plan Sponsor may elect to pay the fees. Contego Capital Group, Inc. does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, Contego Capital Group, Inc. will disclose this compensation, the services rendered, and the payer of compensation. Contego Capital Group, Inc. will offset the compensation against the fees agreed upon under this Agreement.

### **401K Consulting Services**

Contego Capital Group, Inc. offers 401K consulting services to individuals for a negotiable flat fee of \$1,500 based on the complexity of the case for the consultation. The payments are made in quarterly installments and are due within ten (10) days of receipt of the invoice. Initial recommendations are completed and delivered inside of sixty (60) days dependent upon timely client delivery of required documentation. After

the initial consultation Contego Capital Group, Inc. will meet with Clients on a semi-annual basis to discuss further recommendations and/or changes. Client may cancel, in writing, within five (5) business days of signing Agreement without fee or penalty. If the client cancels after five (5) business days, Contego Capital Group, Inc. is due a pro-rata fee based on the amount of work completed.

### **Selection of Other Money Managers**

Contego Capital Group, Inc. may at times use the services of TPMs and receive a solicitor fee for soliciting clients. Contego Capital Group, Inc. will be paid a portion of the advisory fee paid to the TPM.

### **Client Payment of Fees**

Investment management fees are billed quarterly in advance, meaning we bill you before the quarter has started. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. For more information regarding direct deduction of fees please refer to *Item 15 – Custody* of this Brochure

### **Prepayment of Client Fees**

Investment management fees are billed quarterly in advance. Client may terminate the Agreement within five (5) business days of signing, without penalty, and with full refund. If the client cancels after five (5) days

### **Other Fees and Expenses**

In addition to the fees described above, Clients may bear other costs associated with investments or accounts including but not limited to: (i) custodial charges, brokerage fees, commissions and related costs; (ii) interest expenses; (iii) taxes, duties and other governmental charges; (iv) transfer and registration fees or similar expenses; (v) costs associated with foreign exchange transactions; (vi) other portfolio expenses; and (vii) costs, expenses and fees (including investment advisory and other fees charged by the investment advisers of funds in which the Client's account invest) associated with products or services that may be necessary or incidental to such investments or accounts. With respect to such services (which may include, but are not limited to, custodial, securities lending, brokerage, banking, consulting or third-party advisory or legal services) each Client may be required to establish business relationships with relevant service providers or other counterparties based on the Client's own credit standing. Contego will not have any obligation to allow its credit to be used in connection with the establishment of such relationships, nor is it expected that such service providers or counterparties will consider or rely on Contego's credit in evaluating the Client's creditworthiness.

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include mutual fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Open-End Funds also generally bear their own operating and other expenses including, but not limited to, in addition to those listed above: (i) sales expenses; (ii) legal expenses; (iii) internal and external accounting,

audit and tax preparation expenses; (iv) insurance; and (v) organizational expenses. Generally, series funds bear a pro rata share of the expenses associated with the related trust. Open-End Funds, may bear the cost of investments in funds, including affiliated funds and ETFs. Further details on these expenses may be found in the Open-End Funds governing documents (i.e., prospectus or statement of additional information).

For an additional discussion of brokerage and other transaction costs, please refer to *Item 12 – Brokerage Practices* of this Brochure.

### **External Compensation For the Sale of Securities To Clients**

Robert Branton can sell securities in his separate capacity as a registered representative of Cabot Lodge Securities. In addition, he may sell insurance products in his capacity as an independent insurance agent for sales commissions. Please refer to *Item 10 – Other Financial Industry Activities and Affiliations* to read more about our ability to offer strictly commission-based services through Cabot Lodge Securities and our insurance activities.

When managing accounts through programs outlined in this brochure, some of the advice offered by our advisor representatives may involve investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges sometimes referred to as 12b-1 fees. However, our advisor representatives do not receive any portion of the 12b-1 fees paid and other compensation such as commissions, loads, trails, etc. when holding mutual funds in accounts managed through the advisory programs provided through Contego Capital Group, Inc. Moreover, in almost all cases share classes without 12b-1 fees are used. Because we do not accept 12b-1 fees, commissions, loads and trails in the programs described within this brochure, there is not an incentive for us to recommend investment products paying commissions and other fees. Therefore, we primarily recommend no-load mutual funds and mutual funds priced at net-asset-value.

You are never obligated to use Cabot Lodge Securities and you are never obligated to purchase investment products through Robert Branton in his role as a Cabot Lodge Securities registered representative or through our investment advisor representatives. You have the option to purchase investment products through other brokers or agents that are not affiliated with Contego Capital Group, Inc.

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

### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities. Contego Capital Group, Inc. does not use a performance-based fee structure because of the conflict of interest. Performance based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

See *Item 11 – Code of Ethics* of this Brochure for additional information about Contego's trade allocation procedures and for a discussion of other potential conflicts of interest.

## Item 7 Types of Clients

As discussed in *Item 4 – Advisory Business* of this Brochure, Contego currently provides investment management services, as a sub-advisor to, AlphaCentric Advisors LLC, an unaffiliated investment adviser which provides services to pooled investment vehicles that are investment companies registered under the 1940 Act, to individual investors and to pension and profit sharing plans on a discretionary and non-discretionary basis.

For new accounts, Contego generally requires an account minimum of \$250,000.00.

Contego may waive these requirements based on certain criteria as described in *Item 5 – Fees and Compensation* and, in its sole discretion, reserves the right to decline any account. Contego also reserves the right to close any account which falls below the minimum requirements to establish an account due to Client activity or as a result of market movement. Smaller-sized accounts may not receive or be able to fully implement Contego's investment recommendations for a particular strategy depending on the price of securities and the size of the accounts.

Contego may seek to obtain, verify, and record information that identifies each Client who retains Contego to manage its account or who invests in a pooled investment vehicle managed by Contego, in order to help the U.S. Government fight the funding of terrorism and money laundering activities.



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

### **Methods of Analysis**

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns. Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclic analysis involves analyzing the cycles of the market. In addition, macroeconomic conditions in the U.S. and abroad are factored into our investment strategy implementation. All information is disseminated from research materials, financial media, subscription-based technical research firms, and company press releases, including but not limited to annual reports, prospectuses, and material filings with the Securities and Exchange Commission. Contego Capital Group, Inc. client portfolio composition is largely dictated by how the above factors correspond with each client's risk tolerance, investment objective, and age.

### **Investment Strategies**

Contego may invest in a wide range of securities and other financial instruments including: equity securities of domestic and foreign issuers (both publicly and privately traded); corporate debt securities of domestic and foreign issuers (both publicly and privately traded); derivative securities, including but not limited to options, swaps and forward contracts; warrants; commercial paper; foreign currency contracts; registered investment company securities, including exchange-traded funds ("ETFs"); and U.S. government securities. As financial markets and products evolve, Contego may invest in other instruments or securities, whether currently existing or developed in the future, when consistent with Client guidelines, objectives, and policies. Contego generally invests for long-term growth of capital and income. Within that framework, Client objectives and unique circumstances may dictate that short-term positions be taken.

Contego's primary objective is to seek consistent positive absolute returns while employing an investment strategy appropriate to the Client's investment goals and objectives. These investment goals and objectives are written in the Investment Policy Statement for each Client and are followed when making investment decisions for the Client's account.

For its fundamental investment strategies, Contego strives to find companies possessing Contego's key investment criteria (as described below) through proprietary research that emphasizes contact with a company's management team, competitors, suppliers and consumers, as well as in-depth and ongoing financial modeling. This process has been critical in Contego's ability to uncover opportunities possessing misunderstood fundamentals and price dislocations, as well as rapidly growing companies for certain equity and fixed-income strategies.

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The methods of analysis and investment strategies summarized above are not intended to be comprehensive. For more information regarding the investment objective and strategies of each, please carefully review its applicable governing documents.

## **Certain Risk Factors**

Clients should understand that all investment strategies and the investments made when implementing those investment strategies involve risk of loss and Clients should be prepared to bear the loss of assets invested. There can be no assurance that Clients will achieve their investment objectives or that investments will be successful or profitable. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a Client's investments fluctuates due to market conditions and other factors. Nothing in this Brochure is intended to imply, and no one is or will be authorized to represent, that Contego's investment strategies and services are low risk or risk free. The investment decisions made and the actions taken for Clients accounts are subject to various market, liquidity, currency, economic and political risks, and will not necessarily be profitable. Past performance of Clients accounts is not indicative of future performance. Investors and advisory Clients are urged to consult with their own independent financial, legal and tax advisors before making any investment decisions. This Brochure does not include every potential risk associated with an investment strategy, or all of the risks applicable to a particular Client account. Rather, it is a general description of the nature and risks of the strategies and securities and other financial instruments in which Client accounts may invest. The following risks may apply to strategies managed by Contego:

- ***Asset Allocation and Rebalancing Risk*** – The risk that a Client accounts asset may be out of balance with the target allocation. Any rebalancing of such assets by Contego may be limited by several factors and, even if achieved, may have an adverse effect on the performance of the Client account's assets.
- ***Catastrophic Event Risk*** – These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. These companies are subject to many dangers inherent in the production, exploration, management, transportation, processing and distribution of natural gas, natural gas liquids, crude oil, refined petroleum and petroleum products and other hydrocarbons. These dangers include leaks, fires, explosions, damage to facilities and equipment resulting from natural disasters, inadvertent damage to facilities and equipment and terrorist acts.
- ***Competition; Availability of Investments*** – Certain markets in which Contego invest or may invest Client assets are extremely competitive for attractive investment opportunities and, as a result, there may be reduced expected investment returns. There can be no assurance that Contego will be able to identify or successfully pursue attractive investment opportunities in such environments. Among other factors, competition for suitable investments from other pooled investment vehicles, the public equity markets and other investors may reduce the availability of investment opportunities. There has been significant growth in the number of firms organized to make such investments, which may result in increased competition to Contego in obtaining suitable investments.
- ***Concentration Risk*** – The increased risk of loss associated with not having a diversified portfolio (i.e., Client accounts concentrated in a geographic region, industry sector or issuer are more likely to experience greater loss due to an adverse economic, business or political development affecting the region, sector or issuer than an account that is diversified and therefore has less overall exposure to a particular region, sector or issuer).

- **Correlation Risk** – The risk that the performance of the underlying investment held in a Client’s account may underperform or differ from the market, or prior to maturity, perform differently than the payment at maturity formula due to changes in factors influencing the structured investments, including equity performance and/or changes in credit spreads, implied volatility, interest rates and/or dividends.
- **Counterparty Credit Risk** – Contego has established relationships to engage in derivative and commodities interest transactions and obtain brokerage services all of which permit Contego’s Clients to trade in any variety of markets or asset classes over time; however, there can be no assurance that Contego will be able to maintain such relationships. An inability to maintain such relationships would limit Client trading activities and could create losses, preclude Clients from engaging in certain transactions, financing, derivative intermediation and prime brokerage services and prevent Clients from trading at optimal rates and terms. Moreover, a disruption in the derivative, commodities interest trading and brokerage services provided by any such relationships before Contego establishes additional relationships could have a significant impact on the Client’s business due to the Client’s reliance on such counterparties.

Some of the markets in which Contego effects Client transactions are “over-the-counter” or “inter-dealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes Clients to the risk that a counterparty will not settle a transaction due to a credit or liquidity problem, thus causing the Client to suffer a loss. In addition, in the case of a default, the Client could become subject to adverse market movements while replacement transactions are executed. Such “counterparty risk” is accentuated for contracts with longer maturities where events may intervene to prevent settlement, or where the Client has concentrated its transactions with a single counterparty or small group of counterparties.

Clients may use counterparties located in jurisdictions outside the United States. Such counterparties are subject to the laws and regulations in non-U.S. jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to Client assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a counterparty, it is impossible to generalize about the effect of their insolvency on Clients and their assets.

Clients are not restricted from dealing with any particular counterparty or from concentrating any or all of their transactions with one counterparty. Moreover, Contego’s internal credit function which evaluates the creditworthiness of its counterparties may prove insufficient. The ability of Clients to transact business with any one or more counterparties, the lack of complete and “foolproof” evaluation of the financial capabilities of counterparties and the absence of a regulated market to facilitate settlement may increase the potential for losses by Clients.

- **Credit Diversification Risk** – The risk that the credit diversification of the strategy may be limited due to the lack of availability of structured investments from one or more issuers at a given time.
- **Currency Risk** – A principal risk in trading currencies is the rapid fluctuation in the market prices of currency contracts. Prices of currency contracts traded are affected generally by relative interest rates, which in turn are influenced by a wide variety of complex and difficult to predict factors such as money supply and demand, balance of payments, inflation levels, trade deficits, budget deficits,

national savings rates, fiscal policy, and political and economic events. In addition, governments from time to time intervene, directly and by regulation, in these markets, with the specific effect, or intention, of influencing prices which may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

Contego may enter into spot and forward currency contracts and options on currencies to trade currencies or to shift exposure to foreign currency fluctuations from one currency to another with respect to Clients. Currency transactions made on a spot basis are for cash at the spot rate prevailing in the currency market for buying or selling currency. A forward currency contract, which involves an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract, reduces a Client's exposure with respect to its investment to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract.

Currency trading is subject to risks different from those of other transactions. In countries where exchange rate control is of great importance and influences economic planning and policy, purchases and sales of currency and related instruments can be negatively affected by government exchange controls, blockages, and manipulations or exchange restrictions imposed by governments. These government actions can result in losses to a Client if we are unable to deliver or receive currency or funds in settlement of obligations. Furthermore, settlement of a currency forward contract for the purchase of most currencies must occur at a bank based in the issuing nation.

Under normal market conditions, transactions involving the U.S. Dollar and emerging market currencies are expected to be executed quickly and with low transaction costs. However, in periods of market stress, the instruments necessary to permit a Client to execute its investment program may not generally be available or may not, in Contego's judgment, be economically priced. In addition, following a significant decline in the net asset value of a Client, or a significant loss by a Client on the emerging market currency portfolio, counterparties may be unwilling to continue to offer currency instruments to a Client and may have the ability to terminate the master agreements relating to the existing currency instruments and all currency transactions documented thereunder. Finally, Client counterparties are not contractually obligated to offer currency instruments to Clients following the maturity of a given transaction or to increase the size of a transaction at a Client's request.

- **Equity Risks** – The market price of securities owned by Clients may go up or down, sometimes rapidly or unpredictably. The equity securities in Clients' portfolios may decline in value due to factors affecting equity securities markets generally. The values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, including the basic minerals sector, such as labor shortages or increased production costs and competitive conditions within an industry. Other risks of investing globally in equity securities may include changes in currency exchange rates, exchange control regulations, expropriation of assets or nationalization, imposition of withholding taxes on dividend or interest payments, and difficulty in obtaining and enforcing judgments against non-U.S. entities. In addition, securities which Contego believes are fundamentally undervalued or incorrectly valued may not ultimately be valued in the capital markets

at prices and/or within the time frame we anticipate. As a result, Clients may lose all or substantially all of their investments in any particular instance.

- **Foreign Securities Risk.** Since the Fund's investments may include ADRs and foreign securities, the Fund is subject to risks beyond those associated with investing in domestic securities. The value of foreign securities is subject to currency fluctuations. Foreign companies are generally not subject to the same regulatory requirements of U.S. companies thereby resulting in less publicly available information about these companies. In addition, foreign accounting, auditing and financial reporting standards generally differ from those applicable to U.S. companies.
- **General Economic and Market Conditions** – The success of Contego's activities is affected by general economic and market conditions, such as changes in interest rates, availability of credit and debt-related issues, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of Client investments), trade barriers, unemployment rates, release of economic data, currency exchange controls and national and international political circumstances (including wars, terrorist acts, natural disasters, security operations, the European debt crisis or the U.S. budget negotiations). These factors may affect the level and volatility of securities prices and the liquidity of Client investments. Volatility and/or illiquidity could impair a Client's profitability or result in losses. Clients could incur material losses even if Contego reacts quickly to difficult market or economic conditions, and there can be no assurance that Clients will not suffer material losses and other adverse effects from broad and rapid changes in economic and market conditions in the future. Clients should realize that markets for the financial instruments in which Contego may invest Client assets can correlate strongly with each other at times or in ways that are difficult for Contego to predict. Even a well-analyzed approach may not protect Clients from significant losses under certain market conditions.
- **Hedging Transactions** – While hedging strategies do not play a significant role in Contego's investment strategy, a Client may utilize financial instruments, both for investment purposes and for risk management purposes, in order to: (i) protect against possible changes in the market value of the Client's investment portfolio resulting from fluctuations in the commodities markets and changes in interest rates; (ii) protect the Client's unrealized gains in the value of the Client's investment portfolio; (iii) facilitate the sale of any such investments; (iv) enhance or preserve returns, spreads or gains on any investment in the Client's portfolio; (v) hedge against a directional trade; (vi) hedge the interest rate or currency exchange rate on any liabilities or assets of Contego's Clients; (vii) protect against any increase in the price of any commodities interests the Client anticipates purchasing at a later date; or (viii) for any reason that we deem appropriate.

The success of hedging strategies depends, in part, upon Contego's ability to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio investments being hedged. Since the characteristics of many commodities interests change as markets change or time passes, the success of a Client's hedging strategy is also subject to Contego's ability to continually recalculate, readjust and execute hedges in an efficient and timely manner. While a Client may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Client than if it had not engaged in such hedging transactions. For a variety of reasons, Contego may not seek to establish a perfect correlation between the hedging instruments utilized and the portfolio holdings being hedged. Such an imperfect correlation may prevent the Client from achieving the intended hedge or expose the Client to risk of loss. Contego is not required to hedge any particular risk in connection with a particular transaction or its portfolios generally. Moreover, it should be noted that

the portfolio will always be exposed to certain risks that may not be hedged. The successful utilization of hedging and risk management transactions requires skills complementary to those needed in the selection of Client portfolio holdings.

- **High Yield (“Junk”) Bond Risk** – High yield bonds are debt securities rated below investment grade (often called “junk bonds”). Junk bonds are speculative, involve greater risks of default, downgrade, or price declines and are more volatile and tend to be less liquid than investment-grade securities. Companies issuing high yield bonds are less financially strong, are more likely to encounter financial difficulties, and are more vulnerable to adverse market events and negative sentiments than companies with higher credit ratings.
- **Highly Volatile Markets** – The prices of financial instruments in which Contego invest Client assets can be highly volatile. Price movements of the financial instruments in which Client assets are invested are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Clients are subject to the risk of failure of any of the exchanges on which their positions trade or of their clearinghouses. In addition, governments from time to time intervene in certain markets, directly and by regulation, particularly in currencies, futures and options. Such intervention is often intended to directly influence prices and may, together with other factors, cause some or all of these markets to move rapidly in the same direction. The effect of such intervention is often heightened by a group of governments acting in concert.
- **Illiquid Investments** – Under certain market conditions, such as during volatile markets or when trading in an interest or market is otherwise impaired, the liquidity of Client investments may be reduced. In addition, a Client may from time to time hold large positions with respect to a specific type of investment, which may reduce the Client’s liquidity. During such times, the Client may be unable to dispose of certain assets, which would adversely affect the Client’s ability to rebalance its portfolio or to meet withdrawal requests. In addition, such circumstances may force the Client to dispose of assets at reduced prices, thereby adversely affecting the Client’s performance. If there are other market participants seeking to dispose of similar assets at the same time, the Client may be unable to sell such assets or prevent losses relating to such assets. Furthermore, if a Client incurs substantial trading losses, the need for liquidity could rise sharply while its access to liquidity could be impaired. In conjunction with a market downturn, the Client’s counterparties could incur losses of their own, thereby weakening their financial condition and increasing the Client’s credit risk to them. Many non-U.S. financial markets are not as developed or as efficient as those in the U.S., and as a result, liquidity may be reduced for Client investments.
- **Index Contracts** – Contego may also invest Client assets in customized instruments seeking to hedge against the risk of changes in the level of prices of broad market averages or indices, as well as narrower indices or baskets of securities or commodities interests. These hedging strategies may be executed by us through the use of exchange-traded index options or options thereon, standardized or individually negotiated over-the-counter contracts or other forms of derivative contracts (collectively, “index contracts”) structured by investment banking or other institutions.

Index contracts generally have substantial risks associated with them, including possible default by the counterparty to the transaction, illiquidity and, to the extent Contego’s view as to certain market movements is incorrect, the risk that the use of such index contracts could result in losses greater

than if they had not been used. Moreover, any lack of correlation between price movements of index contracts and price movements in the position of a Client may create the possibility that losses in the value of the Client's position may be greater than the gain on the hedging instrument (or that a gain in the Client's position may be less than the loss on the hedging instrument). In addition, futures and options markets may not be liquid in all circumstances and certain over-the-counter index contracts may have no markets. As a result, in certain markets, a Client might not be able to close a transaction without incurring substantial losses, if at all. Any such result may have a material adverse effect on the Client.

- **Inverse ETF Risk.** Investments in inverse ETFs will prevent the Fund from participating in market-wide or sector-wide gains and may not prove to be an effective hedge. During periods of increased volatility, inverse ETFs may not perform in the manner they are designed.
- **Investments in Distressed Issuers** – Contego might invest Client assets in equity securities of issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems and “below investment-grade” debt securities, including companies involved in covenant or payment default or in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for high returns. Among the risks inherent in investments in troubled entities is the fact that it frequently may be difficult to obtain information as to the true condition of such issuers. Such investments may also be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is high, and there is no assurance that we will analyze such investments correctly.
- **IPO Risk** – The market value of IPO shares will fluctuate considerably due to factors such as the absence of a prior public market, unseasoned trading, the small number of shares available for trading and limited information about the issuer. The purchase of IPO shares may involve high transaction costs. IPO shares are subject to market risk and liquidity risk.
- **Large-Cap Company Risk** – Larger, more established companies may be unable to attain the high growth rates of successful, smaller companies during periods of economic expansion.
- **Leverage and Liquidity Risks** – Contego may have the authority to borrow funds and may do so when deemed necessary or appropriate by Contego or its affiliates. Contego may borrow funds on behalf of its Clients from brokers, banks and other lenders to finance its investing and trading operations, which borrowings may be secured by Client assets. The use of such leverage can, in certain circumstances, maximize the losses to which a Client's investment portfolio may be subject. Any event that adversely affects the value of an investment would be magnified to the extent that a particular asset or the Client as a whole is leveraged. The cumulative effect of the use of leverage in a market that moves adversely to Client investments could result in a substantial loss to Clients, which would be greater than if Clients were not leveraged. Leverage may be achieved through,

among other methods, direct borrowing and purchases of securities on margin and the use of options and other derivatives.

The purchase of options generally involves little or no margin deposit and, therefore, will provide substantial leverage. Accordingly, relatively small price movements in these financial instruments may result in immediate and substantial losses to a Client. In addition, a Client may have unlimited discretion to use derivative instruments, which generally provide the economic equivalent of leverage by magnifying the potential gain or loss from an investment.

- **Leveraging Risk** – Certain Client transactions, including short positions in financial instruments, may give rise to a form of leverage. Leverage can magnify the effects of changes in the value of the Client's investments and make the Client's portfolio more volatile. Leverage creates a risk of loss of value on a larger pool of assets than the Client would otherwise have had, potentially resulting in the loss of all assets. The Client may also have to sell assets at inopportune times to satisfy its obligations in connection with such transactions.
- **Limited Diversification and Risk Management Failures** – At any given time, Client assets may not be diversified to any material extent and, as a result, Clients could experience significant losses if general economic conditions, and, in particular, those relevant to the issuers whose securities are owned by Contego Clients decline. In addition, Client portfolios could become significantly concentrated in a limited number of issuers, types of financial instruments, industries, strategies, countries or geographic regions, and any such concentration of risk may increase losses suffered by Clients. This limited diversity could expose Clients to losses disproportionate to market movements in general. Other investment funds pursue similar strategies, which creates the risk that many funds may be forced to liquidate positions at the same time, reducing liquidity, increasing volatility and exacerbating losses. Although Contego attempts to identify, monitor and manage significant risks, these efforts do not take all risks into account and there can be no assurance that these efforts will be effective. Many risk management techniques are based on observed historical market behavior, but future market behavior may be entirely different. Any inadequacy or failure in Contego's risk management efforts could result in material losses for Clients.
- **Liquidity Risk** – Contego may not be able to sell some or all of the investments that Client holds due to a lack of demand in the marketplace or other factors such as market turmoil, or if Contego is forced to sell an illiquid asset to meet a Client's redemption requests or other cash needs it may only be able to sell those investments at a loss. Illiquid assets may also be difficult to value.
- **Litigation** – Contego investment activities may subject them, its affiliates and its Clients to the risks of becoming involved in litigation with third parties. The expense of defending against claims against a Client by third parties and the payment of any amounts pursuant to settlements or judgments would be borne by the Client. Contego and its affiliates will generally be indemnified by its Clients in connection with any such litigation, subject to certain conditions.
- **Low Trading Volume Risk** – The risk that a Client may not be able to monetize his/her investment or will have to do so at a loss as a result of generally lower trading volumes of the securities compared to other types of securities or financial instruments.
- **Machinery and Electrical Equipment Industry Risk.** The machinery and electrical equipment industries can be significantly affected by general economic trends, including employment, economic growth, and interest rates; changes in consumer sentiment and spending; overall capital



spending levels, which are influenced by an individual company's profitability and broader factors such as interest rates and foreign competition; commodity prices; technical obsolescence; labor relations legislation; government regulation and spending; import controls; and worldwide competition. Companies in these industries also can be adversely affected by liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control.

- **Management and Strategy Risk** – The value of a Client's investment depends on the judgment of Contego about the quality, relative yield, value or market trends affecting a particular security, industry, sector or region, which may prove to be incorrect. Investment strategies employed by Contego in selecting investments for a Client may not result in an increase in the value of the Client's investment or in overall performance equal to other investments.
- **Non-U.S. Investments** – Contego invests Client assets in financial instruments of non-U.S. corporations and governments. Investing in the financial instruments of companies (and, from time to time, governments) outside of the United States involves certain considerations not usually associated with investing in financial instruments of U.S. companies or the U.S. government, including political and economic considerations, such as greater risks of expropriation, nationalization, confiscatory taxation, imposition of withholding or other taxes on interest, dividends, capital gains or other income, limitations on the removal of assets and general social, political and economic instability; the relatively small size of the securities markets in such countries and the low volume of trading, resulting in potential lack of liquidity and in price volatility; the evolving and unsophisticated laws and regulations applicable to the securities and financial services industries of certain countries; fluctuations in the rate of exchange between currencies and costs associated with currency conversion; and certain government policies that may restrict investment opportunities. In addition, accounting and financial reporting standards that prevail outside of the U.S. generally are not as high as U.S. standards and, consequently, less information is typically available concerning companies located outside of the U.S. than for those located in the U.S. As a result, Contego may be unable to structure Client transactions to achieve the intended results or to mitigate all risks associated with such markets. It may also be difficult to enforce Contego's Clients' rights in such markets. For example, financial instruments traded on non-U.S. exchanges and the non-U.S. persons that trade these instruments are not subject to the jurisdiction of the SEC or the CFTC or the securities and commodities laws and regulations of the U.S. Accordingly, the protections accorded to Clients under such laws and regulations are unavailable for transactions on foreign exchanges and with foreign counterparties.
- **Operational Risk** – The risk of loss arising from shortcomings or failures in internal processes or systems of Contego, external events impacting those systems and human error. Operational risk can arise from many factors ranging from routine processing errors to potentially costly incidents such as major system failures.
- **Other Derivative Instruments** – Contego may take advantage of opportunities with respect to certain other derivative instruments that are not presently contemplated for use or that are currently not available, but that may be developed, to the extent such opportunities are both consistent with Contego's investment objective and legally permissible. Special risks may apply to instruments that are invested in by Contego Clients in the future that cannot be determined at this time or until such instruments are developed or invested in by Contego Clients. Certain swaps, options and other derivative instruments may be subject to various types of risks, including market risk, liquidity

risk, the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty, legal risk and operations risk.

In general, using derivatives can have a leveraging effect and increase a Client's portfolio volatility. Derivatives can be highly illiquid and difficult to unwind or value, and changes in the value of a derivative held by the Client's portfolio may not correlate with the value of the underlying instrument or the Client's portfolio of other investments. Many of the risks applicable to trading the instruments underlying derivatives are also applicable to derivatives trading. However, additional risks are associated with derivatives trading that are possibly greater than the risks associated with investing directly in the underlying instruments. These additional risks include but are not limited to illiquidity risk, operational leverage risk and counterparty credit risk. A small investment in derivatives could have a potentially large impact on the Client's portfolio performance. Recent legislation in the United States calls for new regulation of the derivatives markets. The extent and impact of the regulation are not yet fully known and may not be for some time. New regulation of derivatives may make them more costly, may limit their availability, or may otherwise adversely affect their value or performance.

- **Position Limits** – “Position limits” imposed by various regulators may also limit Contego's ability to effect desired trades. Position limits are the maximum amounts of gross, net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if Contego does not intend to exceed applicable position limits, it is possible that different accounts managed by Contego may be aggregated. To the extent that Client position limits were collapsed, the effect on Clients and resulting restriction on their investment activities may be significant. If at any time positions managed by Contego were to exceed applicable position limits, Contego would be required to liquidate positions of its Clients to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, Contego might have to forego or modify certain of Client contemplated trades.
- **Put and Call Options** – Contego, on behalf of its Clients, may also purchase exchange-listed and over-the-counter put and call options on specific securities or commodities interests. In addition, Contego may write and sell covered or uncovered call and put option contracts. A call option gives the purchaser of the option the right to buy, and obligates the writer to sell, the underlying security or commodities interest at a stated exercise price at any time prior to the expiration of the option. Similarly, a put option gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying security or commodities interest at a stated exercise price at any time prior to the expiration of the option. Options written by Contego's Clients may be wholly or partially covered (meaning that the Client holds an offsetting position) or uncovered. Options on specific securities or commodities interests may be used by to seek enhanced profits with respect to a particular security or commodities interest. Alternatively, Contego may use options for various defensive or hedging purposes.

Use of put and call options may result in losses to Clients, force the sale or purchase of portfolio holdings at inopportune times or for prices higher than (in the case of put options) or lower than (in the case of call options) current market values, limit the amount of appreciation Clients can realize on their investments or cause a Client to hold a security or commodities interest it might otherwise sell. For example, a decline in the market price of a particular security could result in a complete loss of the amount expended by a Client to purchase a call option (equal to the premium paid for

the option and any associated transaction charges). An adverse price movement may result in unanticipated losses with respect to covered options sold by a Client. The use of uncovered option writing techniques may entail greater risks of potential loss to a Client than other forms of options transactions. For example, a rise in the market price of the underlying security will result in Clients realizing a loss on the calls written, which would not be offset by the increase in the value of the security or commodities interest to the extent the call option position was uncovered.

- **Repurchase and Reverse Repurchase Agreements** – Contego may enter into, on behalf of its Clients, repurchase and reverse repurchase agreements. When a Client enters into a repurchase agreement, it “sells” securities or commodities interests to a broker or financial institution, and agrees to repurchase such securities or commodities interests on a mutually agreed date for the price paid by the broker-dealer or financial institution, plus interest at a negotiated rate. In a reverse repurchase transaction, the Client “buys” securities or commodities interests issued from a broker-dealer or financial institution, subject to the obligation of the broker-dealer or financial institution to repurchase such securities or commodities interests at the price paid by the Client, plus interest at a negotiated rate. The use of repurchase and reverse repurchase agreements involves certain risks. For example, if the seller of securities to a Client under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Client will seek to dispose of such securities, this action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganization under applicable bankruptcy or other laws, the Client’s ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that a Client may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, the Client may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller. Similar elements of risk arise in the event of the bankruptcy or insolvency of the buyer.
- **Secondary Market / Limited Liquidity Risk** – The risk that the secondary market for one or more of the underlying structured investments may be limited due to a particular issuer exposure, volatility of a referenced asset or for other reasons. This lack of liquidity in the secondary market may make one or more of the underlying investments more difficult to dispose of and to value, and, therefore, may result in the strategy being less liquid than other strategies and may negatively impact secondary market valuations.
- **Short Sales** – Contego, on behalf of its Clients, may effect short sales of securities, commodities and derivative investments made in the over-the-counter markets. Short selling is the practice of selling securities, commodities or other underlying investments (as applicable, “Underlying Investments”) or derivative investments that are not owned by the seller, generally when the seller anticipates a decline in the price of the underlying investment or for hedging purposes. To complete a short sale, Clients generally must borrow the Underlying Investments from a third party in order to make delivery to the buyer. Contego generally will be required to pay a brokerage commission that will increase the cost to Clients of selling such Underlying Investments. The proceeds of the short sale plus additional cash or Underlying Investments must be deposited as collateral with the lender of the Underlying Investments to the extent necessary to meet margin requirements. The amount of the required deposit will be adjusted periodically to reflect any change in the market price of the Underlying Investments that a Client is required to return to the lender. The Client generally will be entitled to receive payments from the lender with respect to the short sale proceeds and additional cash on deposit with the lender at negotiated interest rates. The Client will be obligated

to return the applicable Underlying Investments equivalent to those borrowed at any time on demand of the lender of the Underlying Investments borrowed by purchasing them at the market price at the time of replacement. Until the Underlying Investments are replaced, the Client will be required to pay to the lender amounts equal to any dividends or interest that accrue during the period of the loan of the Underlying Investments. An increase in the value of any Underlying Investment that is the subject of short selling by a Client may, as a result of the foregoing, have a material adverse effect on the assets of the Client, and therefore the return on investment of the Client.

- ***Small-Cap and Mid-Cap Company Risk*** – The securities of small-capitalization and mid-capitalization companies may be subject to more abrupt or erratic market movements and may have lower trading volumes or more erratic trading than securities of larger, more established companies or market averages in general. In addition, such companies typically are more likely to be adversely affected than large capitalization companies by changes in earning results, business prospects, investor expectations or poor economic or market conditions.
- ***Swap Agreements*** – Clients may enter into swap agreements and options on swap agreements (“swaptions”). Swap agreements are individually negotiated and can be structured to include exposure to a variety of different types of investments, asset classes or market factors. A Client, for instance, may enter into swap agreements with respect to interest rates, credit defaults, currencies, securities, indexes of securities and other assets or other measures of risk or return. Depending on their structure, swap agreements may increase or decrease Client exposure to, for example, long-term or short-term interest rates (in the United States or abroad), non-U.S. currency values, credit spreads, corporate borrowing rates, or other factors such as security prices, baskets of equity securities or inflation rates. Swap agreements can take many different forms and are known by a variety of names. Contego is not limited to any particular form of swap agreement if consistent with the Client’s investment objective and policies.

Swap agreements tend to shift Client investment exposure from one type of investment to another. For example, if a Client agrees to exchange payments in dollars for payments in non-U.S. currency, the swap agreement would tend to decrease the Client’s exposure to U.S. interest rates and increase its exposure to non-U.S. currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of a Client’s portfolio. The most significant factor in the performance of swap agreements is the change in the specific interest rate, currency, individual equity values or other factors that determine the amounts of payments due to and from the Client. If a swap agreement calls for payments by a Client, the Client must be prepared to make such payments when due. In addition, if a counterparty’s creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses by the Client.

Whether a Client’s use of swap agreements or swaptions will be successful will depend on Contego ability to select appropriate transactions for the Client. Swap transactions may be highly illiquid and may increase or decrease the volatility of the Client’s portfolio. Moreover, the Client bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of its counterparty. The Client also bears the risk of loss related to swap agreements, for example, for breaches of such agreements or the failure of the Client to post or maintain required collateral. Many swap markets are relatively new and still developing. It is possible that developments in the swap markets, including potential government regulation, could

adversely affect the Client's ability to terminate existing swap transactions or to realize amounts to be received under such transactions.

- **Tax, Legal and Regulatory Risks** – The risk of loss due to increased costs and reduced investment and trading opportunities resulting from unanticipated legal, tax and regulatory changes, including the risk that the current tax treatment of securities could change in a manner that would have adverse consequences for existing investors.
- **Terrorist Attacks, War and Natural Disasters** – Terrorist activities, anti-terrorist efforts, armed conflicts involving the United States or its interests abroad and natural disasters may adversely affect the United States, its financial markets and global economies and markets and could prevent Contego and its Clients from meeting their respective investment objectives and other obligations. The potential for future terrorist attacks, the national and international response to terrorist attacks, acts of war or hostility and recent natural disasters have created many economic and political uncertainties, which may adversely affect the United States and world financial markets and Contego's Clients for the short or long-term in ways that cannot presently be predicted.
- **Underperformance Risk** – The risk that the strategy may underperform the underlying investments due to reasons such as the capped feature of one or more investments and the fact that such structured investments do not receive dividends.
- **Force Majeure** – Clients' investments may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism, labor strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design or construction, accidents, demographic changes, government macroeconomic policies, social instability). Some force majeure events may adversely affect the ability of any such parties to perform their obligations until they are able to remedy the force majeure event. Force majeure events that are incapable of or are too costly to cure may have a permanent adverse effect on Client investments. Certain force majeure events (such as war or an outbreak of an infectious disease) could have a broader negative impact on the world economy and international business activity generally. The Adviser is not able to predict the extent, severity or duration of the effect of force majeure events or quantify the impact that these events may have on its Clients or their investments.
- **Cyber Security Risk** – With the increased use of technologies such as the Internet to conduct business, a portfolio is susceptible to operational, information security and related risks. In general, cyber incidents can result from deliberate attacks or unintentional events and are not limited to, gaining unauthorized access to digital systems, and misappropriating assets or sensitive information, corrupting data, or causing operational disruption, including the denial-of-service attacks on websites. Cyber security failures or breaches by a third party service provider and the issuers of securities in which the portfolio invests, have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, and/or additional compliance costs, including the cost to prevent cyber incidents.

## **Item 9 Disciplinary Information**

This Item requests information relating to legal and disciplinary events in which Contego or any supervised persons, as defined by the Advisors Act, have been involved that are material to Client's or prospective Client's evaluations of Contego's advisory business or management. There are no reportable material legal or disciplinary events related to Contego or any of its supervised persons. In the ordinary course of Contego's business, Contego, its affiliates and employees have not in the past been subject to any criminal or civil actions, formal or informal regulatory inquiries, subpoenas, investigations, legal or regulatory proceedings involving the SEC, or any other regulatory authorities, including private parties and self-regulatory organizations ("SRO").

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

### **Affiliated Broker-Dealers**

Contego is not registered, and does not have an application pending to register, as a broker-dealer or registered representative of a broker-dealer. However, certain affiliated persons listed in Schedule A of Contego's Part 1 of Form ADV and affiliated persons (i.e., personnel) of Contego are registered representatives and hold FINRA licenses.

Mr. Robert Branton is a registered representative of Cabot Lodge Securities, a securities broker-dealer and you may work with him in his separate capacity as a registered representative of Cabot Lodge Securities. As a result of this relationship, Cabot Lodge Securities may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about clients of Contego Capital Group, Inc., even if a client does not establish any account through Cabot Lodge Securities. If you would like a copy of the privacy policy of Cabot Lodge Securities, please contact your investment adviser representative.

When acting in his separate capacity as an Cabot Lodge Securities registered representative, Mr. Branton may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange traded funds, and variable annuity and variable life products to you. As such, Mr. Branton may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which Mr. Branton will receive a commission in his separate capacity as a registered representative of Cabot Lodge Securities. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of Mr. Branton in this separate capacity or to use Cabot Lodge Securities and can select any broker/dealer you wish to implement securities transactions. If you select Mr. Branton to implement securities transactions in his separate capacity as a registered representative, he must use Cabot Lodge Securities. Prior to effecting any such transactions, you are required to enter into a new account agreement with Cabot Lodge Securities. The commissions charged by Cabot Lodge Securities may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Contego is affiliated with Contego Capital Benefits through common control and ownership. In addition to their roles with Contego Capital Group, Inc., Mr. Branton & Mr. Wicklund are also insurance agents with Contego Capital Benefits. Approximately 5% of their time is spent in this capacity. From time to time, they offer clients advice or products from this activity. These practices represent conflicts of interest because it gives Mr. Branton & Mr. Wicklund an incentive to recommend products based on the commission amount received. This conflict is mitigated by the fact that Mr. Branton & Mr. Wicklund have a fiduciary responsibility to place the best interest of the client first and the clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

### **Sub-Advisor to a Registered Investment Companies (Mutual Funds)**

Contego is a sub-advisor to a mutual fund: AlphaCentric Robotics & Automation Fund (GNXAX, GNXCX, GNXIX) (see Item 4). Contego has entered into a Joint Venture Agreement with AlphaCentric Advisors and the investment advisor to the AlphaCentric Funds, a group / separate series under the Mutual Fund Series Trust and open-end investment company that is registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended. Under this joint venture both Contego and AlphaCentric contribute capital to the establishment of the AlphaCentric Robotics & Automation Fund and recommend to the Board of Trustees that AlphaCentric serve as the investment advisor with Contego as sub-advisor. The joint venture agreement stipulates the sharing of expenses (typically at a 50-50 split) for:

- Expenses related to the establishment of the fund,
- Payment of operating expense reimbursements until the fund launched and / or breaks even
- Defines compensation to both parties,
- Splitting up-front commissions and marketing fees (excluding sales charges),
- Sharing of the expense of platform set-up fees, revenue sharing, administration or sub-transfer agency,
- Account based, and asset-based fees paid by the primary advisor to broker dealers or custodians in the fund; and,
- Requires a payment by Contego of \$10,000 to pay for start-up and operating expenses.

AlphaCentric Advisors LLC, a Delaware limited liability company located at 36 North New York Avenue, Huntington, NY, 11743 serves as Advisor to the Fund. The Advisor was formed in February 2014. Management of the Fund is currently its primary business. The Advisor is under common control with Catalyst Capital Advisors LLC and Rational Advisors, 55 Inc, the investment advisers of other funds in the same group of investment companies also known as a “fund complex”. Under the terms of the management agreement, AlphaCentric Advisors LLC is responsible for formulating the Funds’ investment policies, making ongoing investment decisions and engaging in portfolio transactions.

### **Futures or Commodity Registration - Affiliated CPO and/or CTA**

Contego Capital Group, Inc. nor its employees are registered, and does not have an application pending to register, as a futures commission merchant, commodity pool operator, or commodity trading advisor.

### **Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

Contego Capital Group, Inc. may at times utilize the services of TPMs to manage client accounts. In such circumstances, Contego Capital Group, Inc. will share in the TPM asset management fee. Compensation paid to Contego Capital Group, Inc. by TPMs may vary and, thus, there is a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another manager. However, when referring clients to a TPM, the client’s best interest will be the main determining factor. These fees do not include brokerage fees that may be assessed by the custodial broker dealer. Fees for these services will be based on a percentage of assets under management not to exceed any limit imposed by any regulatory agency. The final fee schedule will be attached to Contego Capital Group, Inc.'s Investment Advisory Agreement. Contego Capital Group, Inc. is responsible for:

- helping the client complete the necessary paperwork of the TPM;
- providing ongoing services to the client;



- updating the TPM with any changes in client status which is provided to Contego Capital Group, Inc. by the client;
- reviewing the quarterly statements provided by the TPM; and delivering the Form ADV Part 2, Privacy Notice and Solicitors Disclosure Statement of the TPM to the client.

Prior to referring any clients to TPMs, Contego Capital Group, Inc. will make sure that they are properly registered, or notice filed. This relationship will be disclosed to the client in each contract between Contego Capital Group, Inc. and the Client. Contego Capital Group, Inc. does not charge additional management fees for TPM managed account services. Client's signature is required to confirm consent for services within the investment advisory agreement. Client will initial Contego Capital Group, Inc.'s Investment Advisory Agreement to acknowledge receipt of TPM fee schedule and required documents including Form ADV Part 2 disclosures.

Please refer to Item 11 — Code of Ethics of this brochure for more information regarding the conflict of interest and an explanation for how we attempt to control for the conflict of interest.

## Item 11 Code of Ethics

Contego maintains a policy of strict compliance with the highest standards of ethical business conduct and the provisions of applicable federal securities laws, including rules and regulations promulgated by the SEC, and has adopted policies and procedures described in its code of ethics. The code of ethics has been adopted by Contego in compliance with Rule 17j 1 under the 1940 Act and Section 204A of the Advisers Act. The code of ethics applies to each employee of Contego and any other “access person” as defined under the Advisers Act. It is designed to ensure compliance with legal requirements of Contego’s standard of business conduct.

A complete copy of Contego’s code of ethics (“Code of Ethics”) is available upon request to Clients or prospective clients.

The Code of Ethics is based upon the premise that all Contego personnel have a fiduciary responsibility to render professional, continuous and unbiased investment advisory services. The Code of Ethics requires all personnel to: (1) comply with all applicable laws and regulations; (2) observe all fiduciary duties and put Client interests ahead of those of Contego; (3) observe Contego’s personal trading policies so as to avoid “front-running” and other conflicts of interests between Contego and its Clients; (4) ensure that all personnel have read the Code of Ethics, agreed to adhere to the Code of Ethics, and are aware that a record of all violations of the Code of Ethics will be maintained by Contego’s Chief Compliance Officer, and that personnel who violate the Code of Ethics are subject to sanctions by Contego, up to and including termination.

**Standards of Conduct:** Contego and its access persons are expected to comply with all applicable federal and state laws and regulations. Access persons are expected to adhere to the highest standards of ethical conduct and maintain confidentiality of all information obtained in the course of their employment and bring any risk issues, violations, or potential violations to the attention of the Chief Compliance Officer. Access persons are expected to deal with Clients fairly and disclose any activity that may create an actual or potential conflict of interest between them and Contego or Client.

**Ethical Business Practices:** Falsification or alteration of records or reports, also known as a prohibited financial practice, or knowingly approving such conduct is prohibited. Payments to government officials or government employees are prohibited except for political contributions approved by Contego’s Chief Compliance Officer. Contego seeks to outperform its competition fairly and honestly and seeks competitive advantages through superior performance not illegal or unethical dealings. Access persons are strictly prohibited from (i) participating in online blogging and communication with the media, unless approved by the Chief Compliance Officer, and (ii) spreading of false rumors pertaining to any publicly traded company.

**Confidentiality:** Employees must maintain the confidentiality of Contego’s proprietary and confidential information and must not disclose that information unless the necessary approval is obtained. Contego has a particular duty and responsibility, as investment adviser or sub-adviser, to safeguard Client information. Information concerning the identity and transactions of Clients is confidential, and such information will only be disclosed to those employees and outside parties who may need to know it in order to fulfill their responsibilities.

**Gift and Entertainment Policy:** Access persons are permitted, on occasion, to accept gifts and invitations to attend entertainment events. When doing so, however, employees should always act in Contego’s best interests and that of its Clients and should avoid any activity that might create an actual or perceived conflict of interest or impropriety in the course of Contego’s business relationship. Under no circumstances may

(i) gifts of cash or cash equivalents be accepted or (ii) may any gifts be received in consideration or recognition of any services provided to or transactions entered into by, Client accounts.

### **Personal Trading**

**Personal Trading Policy:** In general, no access person may acquire, directly or indirectly, any beneficial ownership in any “reportable security” without first obtaining the prior written approval of the Chief Compliance Officer or his delegate. Access persons who violate the personal trading policy are reprimanded in accordance with the sanctions provisions outlined in the Code of Ethics. Personal securities transactions are reviewed by the Chief Compliance Officer or his delegate for compliance with the personal trading policy and applicable SEC rules and regulations.

Contego’s principals and employees and certain of their affiliates may from time-to-time purchase or sell for their own personal accounts financial instruments that are recommended to, or purchased or sold on behalf of Clients’ accounts. Contego’s principals and employees may also take investment positions in their personal accounts that are different from, or contrary to, those taken by Client accounts; however, they generally are not permitted to trade ahead of Client accounts. Contego’s principals and employees may frequently engage in the purchase and sale of public and private securities and other financial instruments for their own personal accounts, including financial instruments that are recommended to, owned by or purchased or sold on behalf of Client accounts. The personal trading activities of Contego’s principals, employees and affiliates may raise various actual and potential conflicts of interest. Contego has implemented various compliance policies and procedures, including personal trading and reporting policies, in an attempt to reduce, mitigate or address any such actual or potential conflicts of interest. For example, as noted above, all access persons generally are required to obtain the prior written consent of the Chief Compliance Officer before buying or selling any “reportable security.”

Whenever the Chief Compliance Officer determines that one of Contego’s affiliates or employees is in possession of material non-public information regarding an issuer, such issuer may either be placed on a restricted list or a watch list. When a company is placed on a watch list or restricted list, all employees are prohibited from personal trading in securities of those companies.

**Prohibition against Insider Trading:** Contego forbids any access person from trading, either personally or on behalf of others, including Clients advised by Contego, on material non-public information or communicating material non-public information to others in violation of the law or duty owed to another party. This conduct is frequently referred to as “insider trading”. The concepts of material non-public information, penalties for insider trading, and processes for identifying insider trading are addressed in detail in the Compliance Manual and Code of Ethics.

**Reporting Requirements:** In compliance SEC rules, access persons are required to disclose all of their personal brokerage accounts and holdings within 10 days of initial employment with Contego, within 10 days after the end of each calendar quarter of opening a new account, and annually thereafter. Additionally, the last day of the month following each quarter-end, all access persons must report all transactions in reportable securities over which the access person had any direct or indirect beneficial ownership. Access persons are also required annually to affirm all reportable transactions from the prior year.

**Privacy Policy:** Contego has adopted a privacy policy that explains the manner, in which Contego collects, utilizes and maintains nonpublic personal information about Clients. Contego recognizes and respects the privacy concerns of their potential, current and former Clients. Contego is committed to safeguarding this information. As a member of the financial services industry, Contego will provide this Privacy Policy for informational purposes to Clients and employees and will distribute and update it as required by law. The Privacy Policy is also available to upon request.

**Collection of Information and Disclosure of Nonpublic Personal Information:** To provide Clients with effective service, Contego may collect several types of nonpublic personal information about Clients, including: (i) information from forms that Clients may fill out, such as subscription forms, questionnaires and other information provided by Clients in writing, in person, by telephone, electronically or by any other means. This information includes name, address, nationality, tax identification number, and financial and investment qualifications; (ii) information Clients may give orally; (iii) information about transactions within Contego, including account balances, investments and withdrawals; (iv) information about the amount Clients have invested, such as initial investment and any additions to and withdrawals from an investment in the Clients; and (v) information about any bank accounts Clients may use for transfers to or from separately managed accounts (if applicable).

**Disclosure of Nonpublic Personal Information:** Contego does not sell or rent Client information. Contego uses this information to conduct business with its Clients: (i) to develop or enhance its products and services; (ii) to understand the financial needs of its Clients so that Contego can provide such Clients with quality products and superior service; and (iii) to protect and administer its Clients' records, accounts and funds. Contego does not disclose nonpublic personal information about its Clients to nonaffiliated third parties or to affiliated entities, except as permitted or required by law. For example, Contego may share nonpublic personal information in the following situations: (i) to service providers in connection with the administration and servicing of Contego; this may include attorneys, accountants, auditors and other professionals. Contego may also share information in connection with the servicing or processing of Client transactions; (ii) to affiliated companies in order to provide Clients with ongoing personal advice and assistance with respect to the products and services Clients have purchased through Contego and to introduce Clients to other products and services that may be of value to such Clients; (iii) to respond to a subpoena or court order, judicial process or regulatory authorities; (iv) to protect against fraud, unauthorized transactions (such as money laundering), claims or other liabilities; and (v) upon consent of a Client to release such information, including authorization to disclose such information to persons acting in a fiduciary or representative capacity on behalf of the Client.

**Protection of Client Information:** Contego's policy is to require that all employees, financial professionals and companies providing services on its behalf keep Client information confidential. Contego maintains safeguards that comply with federal standards to protect Client information. Contego restricts access to the personal and account information of Clients to those employees who need to know that information in the course of their job responsibilities. Third parties with whom Contego shares Client information must agree to follow appropriate standards of security and confidentiality. Contego's privacy policy applies to both current and former Clients. Contego may disclose nonpublic personal information about a former Client to the same extent as for a current Client.

**Changes to Privacy Policy:** Contego may make changes to its privacy policy in the future. Contego will not make any change affecting any Client without first sending to that Client a revised privacy policy describing the change.

## **Potential Conflicts**

Contego, its affiliates and their respective officers, directors, trustees, stockholders, members, partners and employees and their respective funds and investment accounts (collectively, the “Related Parties”) engage in a broad range of activities, including activities for their own account and for the accounts of Clients. This section describes various potential conflicts that may arise in respect of the Related Parties, as well as how we address such conflicts of interest. The discussion below does not describe all conflicts that may arise.

Any of the foregoing potential conflicts of interest will be discussed and resolved on a case by case basis. Contego’s determination as to which factors are relevant, and the resolution of such conflicts, will be made using its best judgment, but in Contego’s sole discretion. In resolving conflicts, Contego will take into consideration the interests of the relevant Clients, the circumstances giving rise to the conflict and applicable laws. Certain procedures for resolving specific conflicts of interest are set forth below.

**Allocation of Investment Opportunities:** As stated herein above, Contego acts as investment adviser to more than one Client that may have similar investment objectives and pursue similar strategies. Certain investments identified by Contego may be appropriate for multiple Clients. When it is determined by Contego that it would be appropriate for more than one Client to participate in an investment opportunity, Contego will generally allocate such investment opportunity among the Clients in proportion to the relative amounts of capital available for new investments, taking into account such other factors as it may, in its sole discretion determine appropriate, including investment objectives, legal or regulatory restrictions, current holdings, availability of capital for investment, the size of investments generally, nature and type of investment or opportunity, risk-return considerations, relative exposure to market trends, targeted leverage level, targeted asset mix, target investment return, diversification requirements, strategic objectives, specific liquidity requirements, as well as any tax consequences, limitations and restrictions on a Client’s portfolio that are imposed by such Client’s governing documents or other considerations that Contego deems necessary or appropriate in light of the circumstances at such time. In addition, if it is fair and reasonable that certain Clients are fully filled of their appetite before others (e.g., for tax considerations, to avoid de minimis partial allocations, to cover or close out an existing position to mitigate risk or losses, etc.), then these Clients may receive full or disproportionate allocations, with the remaining amounts allocated in accordance with normal procedures among the other participating Clients. One or more of the foregoing considerations in this paragraph may (and are often expected to) result in allocations among accounts other than on a pari passu basis. Accordingly, particular investment may be bought or sold for only one Client or in different amounts and at different times for more than one but less than all Clients, even though it could have been bought or sold for other Clients at the same time. Likewise, a particular investment may be bought for one or more Clients when one or more other Clients are selling the investment. In addition, purchases or sales of the same investment may be made for two or more Clients on the same date. There can be no assurance that a Client will not receive less (or more) of a certain investment than it would otherwise receive if Contego did not have a conflict of interest among Clients.

In effecting transactions, it is not always possible, or consistent with the investment objectives of Contego’s various Clients, to take or liquidate the same investment positions at the same time or at the same prices. Certain investment restrictions may limit Contego’s ability to act for a Client and may reduce performance. Regulatory and legal restrictions (including restrictions on aggregated positions) may also restrict the investment activities of Contego and result in reduced performance.

Contego seeks to manage and/or mitigate these potential conflicts of interest described by following procedures with respect to the allocation of investment opportunities for its Clients, including the allocation

of limited investment opportunities. Contego's allocation policy is based on a fundamental desire to treat each Client account fairly over time.

It is Contego's general policy to allocate investments among its Clients in a manner which it believes to be fair and equitable. Allocations of investment opportunities should not be based on any of the following, or similar, reasons: (i) to generate higher fees paid by one account over another, or to produce greater fees to Contego; (ii) to develop a relationship with a Client or prospective Client; or (iii) to compensate a Client for past services or benefits rendered to the company or any employee of Contego or to induce future services or benefits to be rendered to Contego or any employee of Contego.

Contego's policy, where an opportunity to purchase or sell an investment is appropriate for more than one Client, is to aggregate Client orders when doing so is likely to result in a better overall price or reduced cost for the Client trade. Consistent with its fiduciary duties, Contego allocates trades to its Clients on an equitable basis as set forth in this policy. Each Client who participates in an aggregated order participates at the average price with all transaction costs shared on a pro rata basis pursuant to these written procedures. If all investment orders placed for Client accounts cannot be fully executed under prevailing market conditions, then the securities traded should be allocated among Client accounts a manner Contego deems to be equitable, taking into account the size of the order placed for each account and any other relevant factors.

Client-directed or other restrictions may affect the allocation of an order. If a Client directed restriction is placed on a particular security or group of securities, the order will be allocated to the other participating accounts as described above.

Contego formulates written allocation plans in the form of order memoranda based on the investment guidelines, current exposure levels of each Client and other factors set forth above across the various Client accounts including any ERISA Accounts. When a new investment is being made, Contego allocates investment opportunities among those Clients based upon the percentages determined by the plan.

**Investment Negotiation:** In order to ensure compliance with Section 17(d) under the 1940 Act whenever an investment professional proposes to negotiate a term other than price for an investment (including any amendments), he/she must check to see if the investment (or any other position in the issuer's capital structure) is held (or proposed to be invested) in any Contego managed pooled investment vehicle that is a registered investment company (e.g., Open-End Funds). If the investment is held in any Contego managed pooled investment vehicles that is a registered investment company, that person must contact the Chief Compliance Officer for guidance. The transaction is generally permitted if all accounts are in the same part of the capital structure and participate in the investment pro rata. Alternatively, impose "Chinese Wall" between retail/institutional investment decision-making. One person can negotiate, provided final investment decision still made separately. May also consult outside counsel and/or the Trust board for guidance.

**Position Conflicts:** Another type of conflict may arise if Contego cause one Client account to buy a security and another Client account to sell or short the same security. Currently, such opposing positions are not permitted within the same account or within any accounts managed by the same portfolio manager without prior trade approval by the Chief Compliance Officer. In addition, transactions in investments by one or more affiliated Client accounts may have the effect of diluting or otherwise disadvantaging the values, prices or investment strategies of other Client accounts.

Generally, Contego does not purchase, sell or hold securities on behalf of Clients contrary to the current recommendations made to other affiliated Client accounts. However, because certain Client accounts may have investment objectives, strategies or legal, contractual, tax or other requirements that differ (such as the need to take tax losses, realize profits, raise cash, diversification, etc.), Contego may purchase, sell or continue to hold securities for certain Client accounts contrary to other recommendations. In addition, Contego may be permitted to sell securities or instruments short for certain Client accounts and may not be permitted to do so for other affiliated Client accounts.

**Cross Trading:** In an effort to reduce transaction costs, increase execution efficiency, and capitalize on timing opportunities, Contego may execute cross trades, or sell a security for one affiliated Client to another affiliated Client, without interposing a broker-dealer. All cross trades are subject to the cross-trade procedures set forth in Contego's written policies and procedures. Cross trades, however, may present an inherent conflict of interest because Contego and/or its affiliates represent the interest of the buyer and seller in the same transaction. As a result, Clients involved in a cross trade bear the risk that the price obtained from a cross-trade may be less favorable than if the trade had been executed in the open market. In addition, see *Item 12 – Brokerage Practices*, Cross Trades of this Brochure for more information.

Contego addresses these conflicts of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Client, providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Contego's written policies and procedures, and through the implementation of cross-trade policies and procedures.

**Trade Aggregation:** In some circumstances, Contego may seek to buy or sell the same securities contemporaneously for multiple Client accounts. Contego may, in appropriate circumstances aggregate securities trades for a Client with similar trades for other Clients, but are not required to do so. In particular, Contego may determine not to aggregate transactions that relate to portfolio management decisions that are made independently for different accounts or if Contego determines that aggregation is not practicable, not required or inconsistent with Client direction. When transactions are aggregated and it is not possible, due to prevailing trading activity or otherwise, to receive the same price or execution on the entire volume of securities purchased or sold, the various prices may be averaged or allocated on another basis deemed to be fair and equitable. In addition, under certain circumstances, the Clients will not be charged the same commission or commission equivalent rates in connection with a bunched or aggregated order. The effect of the aggregation may therefore, on some occasions, either advantage or disadvantage any particular Client.

From time to time, aggregation may not be possible because a security is thinly traded or otherwise not able to be aggregated and allocated among all Client accounts seeking the investment opportunity or a Client may be limited in, or precluded from, participating in an aggregated trade as a result of that Client's specific brokerage arrangements. Also, an issuer in which Clients wish to invest may have threshold limitations or aggregate ownership interests arising from legal or regulatory requirements or company ownership restrictions, which may have the effect of limiting the potential size of the investment opportunity and thus the ability of the applicable Client to participate in the opportunity.

There are instances when circumstances specific to individual Clients will limit Contego's ability to aggregate or allocate trades. For example, if a Client requests directed brokerage or if a Client is invested in a Wrap Fee Program in which the Sponsor executes trades, Contego may not be able to aggregate or allocate these trades. Additionally, as stated above, there may be times when there is limited supply or demand for a particular security or investment. In such instances a Client may not be able to realize the efficiencies which might exist for larger transactions. In some cases, trade aggregation and/or allocation

may adversely affect the price paid or received by an account or the size of the position obtained or liquidated for an account, which could cause performance divergence from similar accounts. In other cases, an account's ability to participate in volume transactions may produce better executions and prices for the account. Contego may adjust allocations to eliminate fractional shares or odd lots, or to account for minimum trade size requirements and has the discretion to deviate from its allocation procedures in certain circumstances.

**Conflicts Related to Valuation:** Contego may have a role in determining asset values with respect to Client accounts and may be required to price an asset when a market price is unavailable or unreliable. This may give rise to a conflict of interest because Contego may be paid an asset-based fee on certain Client accounts. In order to mitigate these conflicts, Contego determines asset values in accordance with valuation procedures, which are set forth in Contego's Compliance Manual. In addition, see *Item 12 – Brokerage Practices, Security Valuation* of this Brochure for more information about Valuation.

**Conflicts Related to Information Possessed by or Provided by Contego:** Certain Related Parties may receive or create information (e.g., proprietary technical models) that is not generally available to the public. Contego has no obligation to provide such information to Clients or effect transactions for Clients on the basis of such information and in many cases Contego will be prohibited from trading for the same Clients based on the information. Similarly, some Clients may have access to information regarding Related Parties' transactions or views that is not available to other Clients and may act on that information through accounts managed by persons other than Related Parties. Such transactions may negatively impact other Clients (e.g., through market movements or decreasing availability or liquidity of securities).

**Information Barriers and the Restricted List:** Contego currently operates without ethical screens or information barriers that other firms implement to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. In an effort to manage possible risks from Contego's decision not to implement such screens, Contego maintains a Code of Ethics, as described herein above, and provides training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Contego's policies and procedures. In addition, Contego's Compliance Department maintains a list of restricted securities as to which Contego or its affiliates may have access to material non-public information and in which Clients are not permitted to trade without prior approval from the Compliance Department. In the event that any employee of Contego or its affiliates obtains such material non-public information, Contego may be restricted in acquiring or disposing investments on behalf of Clients, which could impact the returns generated for Clients.

Notwithstanding the maintenance of restricted lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in Contego, or one of its investment professionals, buying or selling a security while potentially in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on the reputation of Contego, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact Contego's ability to perform investment management services on behalf of Clients. In addition, while Contego currently operates without information barriers on an integrated basis, Contego could be required by certain regulations, or decide that it is advisable, to establish information barriers. In such event, Contego's ability to operate as an integrated platform could also be impaired, which would limit Contego's access to affiliate's personnel and impair their ability to manage Clients' investments in the manner in which they currently manage investments.

**Conflicts Related to Relationships with Third Parties:** Contego may advise third-parties regarding valuation, risk management, transition management and potential restructuring or disposition activities in



connection with proprietary or Client investments, which may create an incentive to purchase securities or other assets from those third parties or engage in related activities to bid down the price of such assets, which may have an adverse effect on a Client.

Contego may work with pension or other institutional investment consultants and such consultants may also provide services to Contego. Consultants may provide brokerage execution services to Related Parties and Related Parties may attend conferences sponsored by consultants. Contego also may be hired to provide investment management or other services to a pension or other institutional investment consultant that works with a Client, which may create conflicts.

Related Parties may in-source or out-source to a third-party certain processes or functions, which may give rise to conflicts. There may be conflict when negotiating with third-party service providers if Related Parties bear operational expenses of various Clients to the extent that a given fee structure would tend to place more expense on Clients for which Related Parties have a greater entitlement to reimbursement or less expense on Clients for which Related Parties have lesser (or no) entitlement to reimbursement. Related Parties may provide information about a Client's portfolio positions to unrelated third parties to provide additional market analysis and research to Related Parties and they may use such analysis to provide investment advice to other Clients.

Related Parties may purchase information (such as periodicals, conference participation, papers, surveys) from professional consultant firms, and such firms may have an incentive to give favorable evaluations of Related Parties to their Clients.

In selecting broker-dealers that provide research or other products or services that are paid with soft dollars, conflicts may arise between Contego and a Client because Contego may not produce or pay for these benefits but may use brokerage commissions generated by Client transactions. Soft dollar arrangements may also give Contego an incentive to select a broker-dealer based on a factor other than Contego's interest in receiving the most favorable execution. Conflicts of interest related to soft dollar relationships with brokerage firms may be particularly influential to the extent that Contego uses soft dollars to pay expenses it might otherwise be required to pay itself. Furthermore, research or brokerage services obtained using soft dollars or that are bundled with trade execution, clearing, settlement or other services provided by a broker-dealer may be used in such a way that disproportionately benefits one Client over another (e.g., economics of scale or price discounts). For example, research or brokerage services paid for through one Client's commission may not be used in managing that Client's account. Additionally, where a research product or brokerage service has a mixed-use, determining the appropriate allocation of the product or service may create conflicts. See *Item 12 – Brokerage Practices* of this Brochure for information regarding Contego's use of soft dollars.

Conflicts may arise where Contego has the responsibility and authority to vote proxies on behalf of its Clients. Please refer to *Item 17 – Voting Client Securities* of this Brochure for information regarding the policies and procedures governing Contego's proxy voting activities.

Contego may conduct business with institutions such as broker-dealers or investment banks that invest, or whose clients invest, in pooled vehicles sponsored or advised by Contego, or may provide other consideration to such institutions or recognized agents, and as a result Contego may have a conflict of interest in placing its brokerage transactions.

**Other Accounts and Relationships:** As part of Contego's regular business, Contego and its Related Parties hold, purchase, sell, trade or take other related actions both for their respective accounts and for

the accounts of their respective Clients, on a principal or agency basis, subject to applicable law including Section 206(3) of the Advisers Act, with respect to loans, securities and other investments and financial instruments of all types. The Related Parties also provide investment advisory services, among other services, and engage in private equity, real estate and capital markets-oriented investment activities. The Related Parties will not be restricted in their performance of any such services or in the types of debt, equity, real estate or other investments which they may make. The Related Parties may have economic interests in or other relationships with respect to investments made by Clients. In particular, but subject to Contego's personal trading policy the Related Parties may make and/or hold an investment, including investments in securities, that may compete with, be pari passu, senior or junior in ranking to an, investment, including investments in securities, made and/or held by Clients or in which partners, security holders, members, officers, directors, agents or employees of such Clients serve on boards of directors or otherwise have ongoing relationships. Each of such ownership and other relationships may result in restrictions on transactions by Clients and otherwise create conflicts of interest for Clients. In such instances, the Related Parties may in their discretion make investment recommendations and decisions that may be the same as or different from those made with respect to Client investments. In connection with any such activities described above, but subject to Contego's personal trading policy the Related Parties may hold, purchase, sell, trade or take other related actions in securities or investments of a type that may be suitable for Clients. Subject to Contego's personal trading policy, the Related Parties will not be required to offer such securities or investments to Clients or provide notice of such activities to Clients. In addition, in managing Client portfolios, Contego may take into account its relationship or the relationships of its affiliates with obligors and their respective affiliates, which may create conflicts of interest. Furthermore, in connection with actions taken in the ordinary course of business of Contego in accordance with its fiduciary duties to its Clients, Contego may take, or be required to take, actions which adversely affect the interests of its Clients.

The Related Parties have invested and may continue to invest in investments that would also be appropriate for Clients. Such investments may be different from those made on behalf of Clients. No related advisor nor any Related Party has any duty, in making or maintaining such investments, to act in a way that is favorable to Clients or to offer any such opportunity to Clients, subject to Contego's allocation policy and personal trading policy. The investment policies, fee arrangements and other circumstances applicable to such other parties may vary from those applicable to Clients. Any Related Party may also provide advisory or other services for a customary fee with respect to investments made or held by Clients, and no stockholders nor Clients shall have any right to such fees except to the extent the governing documents of the applicable Client expressly provide otherwise. Any Related Party may also have ongoing relationships with, render services to or engage in transactions with other Clients, who make investments of a similar nature to those of Clients, and with companies whose securities or properties are acquired by Clients and may own equity or debt securities issued by Clients. In connection with the foregoing activities any Related Party may from time to time come into possession of material nonpublic information that limits the ability of Contego to effect a transaction for Clients, and Client investments may be constrained as a consequence of Contego's inability to use such information for advisory purposes or otherwise to effect transactions that otherwise may have been initiated on behalf of its Clients.

Although the professional staff of Contego will devote as much time to Clients as they deem appropriate to perform their duties, the staff may have conflicts in allocating its time and services among Client accounts.

The directors, officers, employees and agents of the Related Parties may, subject to applicable law, serve as directors (whether supervisory or managing), officers, employees, partners, agents, nominees or signatories, and receive arm's length fees in connection with such service, for Clients or any Related Party, or for any Client joint ventures or any affiliate thereof, and no Clients nor their stockholders shall have the

right to any such fees except to the extent the governing documents of the applicable Client expressly provide otherwise.

The Related Parties serve or may serve as officers, directors or principals of entities that operate in the same or a related line of business as Clients, or of other investment funds managed by Contego. In serving in these multiple capacities, they may have obligations to other Clients or investors in those entities, the fulfillment of which may not be in the best interests of Clients or their stockholders. Clients may compete with other entities managed by Contego for capital and investment opportunities.

There is no limitation or restriction on Contego with regard to acting as investment manager (or in a similar role) to other parties or persons. This and other future activities of Related Parties may give rise to additional conflicts of interest. Such conflicts may be related to obligations that Contego or its affiliates have to other Clients.

**Approach to Other Potential Conflicts:** Various parts of this Brochure discuss potential conflicts of interest that arise from Contego's asset management business model. Contego discloses these conflicts due to the fiduciary relationship with its investment advisory Clients. As a fiduciary, Contego owes its investment advisory Clients a duty of loyalty. This includes the duty to address, or at minimum disclose, conflicts of interest that may exist between different Clients; between Contego and Clients; or between its employees and its Clients. Where potential conflicts arise, Contego will take steps to mitigate, or at least disclose, them. Conflicts that Contego cannot avoid (or chose not to avoid) are mitigated through written policies that Contego believes protect the interests of its Clients as a whole. In these cases – which include issues such as personal trading and Client entertainment – regulators have generally prescribed detailed rules or principles for investment firms to follow. By complying with these rules, using robust compliance practices, Contego believes that it has handle these conflicts appropriately. These interactions are not static; Contego's business is continually evolving and changes in Contego's activities can lead to new potential conflicts. Contego reviews it policies and procedures on an ongoing basis to evaluate their effectiveness and update them as appropriate.

## Item 12 Brokerage Practices

As a general rule, Contego receives discretionary investment authority from some of its Clients at the outset of an advisory relationship. Depending on the terms of the applicable investment management agreement, Contego's authority may include the ability to select broker-dealers through which to execute transactions on behalf of its Clients, and to negotiate the commission rates, if any, at which transactions are effected.

### **Brokerage Selection**

The overriding consideration in allocating Client orders for execution is the maximization of Client profits (or minimization of losses) through a combination of controlling transaction costs (including market impact) and seeking the most effective uses of a broker's capabilities. When Contego has the authority to select broker-dealers to execute transactions for its Clients, it seeks to obtain the best execution reasonably available under the circumstances (which may or may not result in paying the lowest available brokerage commissions or spread). In so doing, Contego considers all factors it deems relevant. Such factors may be either venue specific or transaction specific and may include, but are not limited to: (A) for venues: (i) execution capability including speed of execution, quality of communication links to Contego, clearance and trade settlement history and capability and ratio of complete versus incomplete trades; (ii) ability to handle large trades in securities having limited liquidity without undue market impact and ability to provide liquidity (as principal, agent or otherwise); (iii) access to market liquidity and quotation sources; (iv) financial condition of the counterparty, including reputation and creditworthiness; (v) responsiveness and reliability in executing trades, keeping records and accounting for and correcting administrative errors; (vi) ability to maximize price improvement opportunities, including the ability to provide ad hoc information or services; and (vii) ability to comply with all regulatory requirements; and (B) for transactions: (i) price and overall cost of the transaction, including any related credit support; (ii) the size, type and timing of the transaction; (iii) existing and expected activity in the market for the security, including any trading patterns of the security and the particular marketplace; (iv) nature and character of the security or instrument and the markets on which it is purchased or sold; (v) value of research provided, if permitted under applicable law or regulation; (vi) fund or portfolio objectives or Client requirements (if permissible), as may be applicable; (vii) if applicable, Client-directed brokerage arrangements; and (viii) applicable execution venue factors.

Contego does not consider a broker-dealer's sale of Contego's affiliated products, including shares of Open-End Funds or any other advised investment company, when determining whether to select such broker or dealer to execute Client portfolio transactions. Contego may also enter into over-the-counter derivatives transactions generally on stocks, indices, interest rates, debt securities or currencies to seek to enhance the Client's portfolio return and attempt to limit downside risk. Counterparties to these derivatives transactions are selected based on a number of factors, including credit rating, execution prices, execution capability with respect to complex derivative structures and other criteria relevant to a particular transaction.

Contego's endeavor is to be aware of current charges assessed by relevant broker-dealers and to minimize the expense incurred for effecting portfolio transactions, to the extent consistent with the interests and policies of Client accounts. However, Contego will not select broker-dealers solely on the basis of "posted" commission rates nor always seek in advance competitive bidding for the most favorable commission rate applicable to any particular transaction. Although Contego generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent as transactions that involve specialized services on the part of a broker-dealer generally result in higher commission rates or equivalents than would be the case with more routine transactions. Contego may pay higher commission rates to those brokers whose execution abilities, brokerage or research services or other legitimate and appropriate services are particularly helpful in seeking good investment results.

Unless inconsistent with Contego's duty to seek best execution, Contego may direct a broker to execute a trade and "step out" a portion of the commission in favor of another broker that provides brokerage or research related services to Contego as described above. Contego may also use step out transactions in fulfilling a Client-directed brokerage arrangement, to allow for an order to be aggregated, or for regulatory or other purposes. However, Contego does not enter into agreements with, or make commitments to, any broker-dealer that would bind Contego to compensate that broker-dealer, directly or indirectly, for Client referrals or sales efforts through placement of brokerage transactions; nor will Contego use step out transactions or similar arrangements to compensate selling brokers for their sales efforts. Contego's sponsored Open-End Funds have adopted procedures pursuant to Rule 12b-1(h) under the 1940 Act which provide that neither the funds nor Contego may direct brokerage in recognition of the sale of fund shares. Consistent with those procedures, Contego does not consider sales of shares of its Open-End Funds, as a factor in the selection of brokers or dealers to execute portfolio transactions. However, whether or not a particular broker or dealer sells shares of Contego's sponsored Open-End Funds neither qualifies nor disqualifies such broker or dealer to execute transactions for those Open-End Funds.

Please see *Item 11 – Code of Ethics, Trade Aggregation* of this Brochure for more information regarding Contego's trade aggregation procedures.

### **Aggregating Securities Transactions for Client Accounts**

Contego Capital Group, Inc. is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Contego Capital Group, Inc. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

### **IPO/Limited Offering Allocations**

Clients may from time to time participate in an initial public offering (an "IPO"), or other types of limited offerings, if the portfolio manager managing the portfolio believes that the offering is an appropriate investment based on the portfolio's investment restrictions, risk profile, asset composition and/or cash levels. Clients must be eligible to receive allocations of IPOs pursuant to relevant FINRA regulations. In the event that Contego reasonably determines that a Client is not eligible to receive IPO allocations pursuant to these regulations or does not have reasonable assurances that the Client is eligible to receive allocations, Contego may prohibit the Client's account from receiving any allocations of an available offering. Contego's IPO/limited offering allocation procedures generally require all shares to be allocated on a pro-rata basis to all participating eligible accounts based on the total assets of each account. In certain circumstances, Contego may deviate from a pro-rata allocation to account for allocation sizes that are deemed by investment personnel to be de minimis for certain eligible accounts or to address situations specific to individual accounts (e.g., cash limitations, position weightings, etc.). Contego cannot assure, in all instances, participation in IPOs or limited offerings by all eligible accounts. In the event an eligible account does not participate in an offering, Contego does not reimburse for opportunity costs. See *Item 11 – Code of Ethics, Allocation of Investment Opportunities* of this Brochure for more information regarding potential conflicts of interest.

### **Cross Trades**

In its discretion, Contego may, but is not required to, engage in "cross trades", whereby Contego causes one of its Clients to sell a security and another of its Clients to purchase the same security at or about the same time, provided such transaction is in the best interests of both accounts and is consistent with

Contego's best execution obligations. Cross trades may be used in an effort to obtain best execution because cross trades can potentially reduce transaction costs and increase execution efficiency. Cross trades present potential conflicts of interest. For example, there is a risk that the price of a security bought or sold in a cross trade may not be as favorable as it might have been had the trade been executed in the open market. Additionally, there is a potential conflict of interest when a cross trade involves a Client account on one side of the transaction and an account in which Contego has substantial ownership or a controlling interest (such as a newly-formed sponsored Fund) or an account in which Contego receives a higher management fee on the other side of the transaction.

To address these potential conflicts, Contego maintains policies and procedures, which require that all cross trades are made at an independent current market price and are consistent with Section 206 of the Advisers Act. In addition, if one of the parties to the cross trade is a registered investment company, the transaction must comply with procedures adopted under Rule 17a-7 under the 1940 Act. Contego does not permit cross trades with accounts subject to ERISA. While Contego generally does not execute cross trades among its sponsored Open-End Funds and other Client accounts, Contego may execute cross trades among Separate Accounts and/or other accounts managed by Contego. See *Item 11 – Code of Ethics, Cross Trades* of this Brochure for more information regarding potential conflicts of interest.

### **Security Valuation**

Equity securities are generally valued on the basis of market quotations. The evaluated bid price supplied by the pricing service is an evaluation that reflects such factors as security prices, yields, maturities, and ratings. Certain short-term instruments maturing within 60 days or less are valued at amortized cost, which approximates market value. If a market quotation or evaluated price is not readily available or is deemed unreliable, or if an event that is expected to affect the value of a portfolio security occurs after the close of the principal exchange or market on which that security is traded, and before the close of the New York Stock Exchange, the fair value of a security will be determined in good faith under policies and procedures established by and under the supervision of Contego's Investment Committee. Although Contego is not generally the pricing agent for its Clients, Contego, in certain cases and upon request, may provide a fair value price to a Client's pricing agent, solely for informational purposes, for a security in cases where market quotations or evaluated prices are not readily available or deemed unreliable due to significant events or other factors. In these instances, the Client's pricing agent makes the ultimate determination of the security's value. Because Contego may be compensated based on the value of assets held in an account or based on the performance of the account, Contego may have a potential incentive to set a high valuation for a security; however, Contego does not intend to use valuations that are higher than fair value. Contego believes that this potential conflict may be mitigated by its valuation policy and procedures.

There may be differences in prices for the same security held by Contego's Clients because its provided price (for the situations described above) may not be accepted by the relevant pricing agent. In addition, certain Clients, such as Contego's sponsored Open-End Funds, may utilize a third party valuation model to value equity securities of non-U.S. issuers to adjust for stale pricing which may occur between the close of the non-U.S. exchanges and the New York Stock Exchange. These pricing models may not be used by the relevant pricing agent. Benchmark indexes generally do not use fair value pricing and use national and regional indices to value securities using unadjusted closing prices in local markets. In addition, the value of assets denominated in non- U.S. currencies is converted into U.S. dollars using exchange rates deemed appropriate by Contego, which may also vary from the exchange rates used for calculation on any given index.

## **ADRs**

In certain circumstances, Contego may invest Client assets in ADRs. When doing so, depending upon the existence and/or liquidity of the ADR and other factors, these trades may be executed in the U.S. or in a non-U.S. market. When trades are executed in non-U.S. markets, non-U.S. securities will be acquired and broker-dealers or other securities intermediaries will convert these non-U.S. securities into U.S. ADRs (denominated in U.S. dollars). Broker-dealers or other securities intermediaries may charge commissions, conversion and/or other fees for converting the securities into ADRs, all of which will be included (i.e. netted) into the price of the securities. These conversion fees may be negotiable, may vary, and typically are paid by the Clients.

Additionally, Contego may convert a non-U.S. security to an ADR that would be considered highly illiquid when traded in the U.S. This may make it difficult to liquidate a position when Clients close an account, transfer the assets to another firm, request a withdrawal or other transaction that requires the security be traded domestically versus in the foreign security market. The liquidity, or lack thereof, of the converted ADRs in the U.S. market could result in a transaction price that differs substantially from the transaction price that could be obtained if that same security was transacted in the non-U.S. market.

## **Company Errors**

Trade errors may occur either in the investment decision-making process (e.g., a purchase of a security or an amount of security that violates a Client's investment restrictions) or in the trading process (e.g., a buy order executed as a sell, the purchase or sale of a security other than what was intended or trading an incorrect quantity of securities). Internal or clerical mistakes that affect the investment or trading process and have a financial impact to a Client will also be treated as trade errors.

A "trade error" will generally be defined as a transaction that is executed in a manner that was not intentional and results in a corrective action being taken. Any mistakes that do not affect the investment decision-making or trading process or cause a violation of a Client's investment policies or restrictions, and do not cause gain or loss to the Client, will not be treated as trade errors.

Contego's traders will be responsible for notifying the Chief Compliance Officer promptly of the circumstances of any trade error. Traders will discuss any action taken to correct a trade error (e.g. selling a security in the open market) and/or any other corrective action with the Chief Compliance Officer prior to its implementation as to whether such action is appropriate.

If a third party creates the error, Contego will look to the third party to take corrective action. Broker-dealers may be held responsible for a portion of any loss resulting from a trade error if actions of such broker-dealer contributed to the error or the loss. Contego will require broker-dealers to assist in rectifying a trade error on favorable terms if their actions or inactions contributed to the error or the resulting loss. A broker may absorb the loss from a trade error caused by the broker. Contego will not direct brokerage commissions to brokers, or to enter into other reciprocal arrangements with brokers, in order to induce a broker to absorb a loss from a trading error caused by Contego. No soft-dollars may be used to satisfy any trade errors. In addition, Contego may not use the securities in one Client's account to settle the trade error in another Client's account.

**Brokerage for Client Referrals**

In selecting brokers, Contego does not direct transactions to broker-dealers in return for Client referrals.

**Direct Brokerage**

Contego has no affiliations with any broker-dealer. The Adviser does not permit Clients to direct brokerage to a specified broker-dealer. All brokerage transactions will be executed through the broker-dealers selected by the Adviser.



## Item 13 Review of Accounts

Contego's Investment Adviser Representatives ("IARs") have the responsibility to exercise and maintain prudent supervision and control of the Client's investments and portfolios. The IARs continuously review and ensures the investment policies, guidelines, and objectives for each Client's general investment strategy are achieved and attained per the Client's investment policies, guidelines, and objectives as stated in the Client's governing documents. The IARs maintain prudence and effectiveness of each investment of the Client and formulates and oversees the investment policies and management of the Client's assets, and periodically reviews investment strategies and investment performance. In carrying out its duties the IARs provide recommendations on investment opportunities through a stringent due diligence process to identify investment opportunities that meet the Client's stated investment objective and goals; reviews individual investment performance and recommends changes when appropriate; and works closely with staff to ensure that the investment objectives are being met as stated in the Client's governing documents. In monitoring the Client's portfolio of investments, the IARs ensure (i) the management of investments and capital actions are in compliance and consistent with attainment of the Client's investment policy, financial objectives and strategy goals, and (ii) the Client's portfolio is in compliance with legal and regulatory requirements. The review process is further augmented by regular quarterly meetings between the portfolio manager, the IAR and the Chief Compliance Officer. Open-End Funds are also reviewed on a periodic basis by the Open-End Funds' Boards of Directors or Trustees, as applicable. The Chief Compliance Officer also performs ongoing reviews of all such accounts for compliance with investment policies and restrictions. In addition to, and not as a substitute for the foregoing, additional reviews are conducted in accordance with Client requests as set forth in the relevant investment management agreement.

Contego's IARs include, Robert Branton and Ryan Carlson. The IARs meet in person, telephone conference, or other interactive electronic communication to discuss market conditions, portfolio analysis, and investment transaction matters.

### ***Nature and Frequency of Reporting***

The frequency and nature of reports prepared for Clients varies depending on each Client's requirements and interests. Contego provides and may in the future provide certain information and documentation to certain Clients that are not distributed or otherwise made available to other Clients. Clients generally receive quarterly written reports showing portfolio activities and performance on a current and year-to-date basis. These written reports typically disclose all holdings in the Client's account, including cash, together with cumulative year-to-date information about dividends and interest realized by the account. Account reviews are performed quarterly by the IARs and occasionally more frequently when market conditions dictate. Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

Contego may furnish certain account transaction and portfolio holdings to institutional Clients such as Open-End Funds and Separate Accounts and their service providers on a more frequent basis, however, no less than quarterly for managed accounts. Contego will also provide Clients, upon request, other information regarding their portfolio within the parameters of its compliance policies. Clients may request a meeting with Contego at any time. With respect to the Separate Accounts, the qualified custodian generally provides each advisory Client, on at least a quarterly basis, an account statement identifying the amount of the funds and securities in the Clients' account(s) and any transactions in the Clients' account(s) during the applicable calendar quarter. **Clients are urged to compare any account statements that they receive from Contego with the account statements that it receives from its qualified custodians.**

## Item 14 Client Referrals and Other Compensation

### Solicitation, Introduction or Placement Arrangements

From time to time, Contego may compensate certain affiliated and unaffiliated persons or entities for Separate Account referrals or introductions to Contego or placements of interests in Open-End Funds, in compliance with applicable law, including circumstances where, in connection with discrete advisory transactions, Contego will pay or split a portion of the fees with an unaffiliated third-party for assisting in obtaining a specific Client. The material terms of such arrangements will be disclosed to relevant Clients or investors. Contego will inform each Separate Account investor and any other Client that is the subject of such solicitation services that the third-party solicitor will be compensated by the Separate Account investor, the Client or Contego, as the case may be. The name of the third-party providing the services will also be disclosed to each relevant Separate Account investor and any other Client that is the subject to such solicitation services, along with the nature of any affiliation between the third-party and Contego.

With respect to Client solicitation arrangements, Rule 206(4)-3 of the Advisers Act (the “Cash Solicitation Rule”) requires that, among other things, compensation to a solicitor be made pursuant to a written agreement and, for third-party solicitor arrangements, that the solicitor provide to each person solicited for Contego’s advisory services, a written disclosure statement (the “Solicitor’s Disclosure Statement”) and this Brochure (or alternate brochure required or permitted to be provided). The Solicitor’s Disclosure Statement contains important information with respect to, among other things, the material terms of the solicitor’s compensation from Contego, the nature of any relationship or affiliation between the solicitor and Contego, whether the Client bears any costs with respect to the solicitation and whether the fees paid by such a Client may differ from fees paid by other similarly situated Clients who are not so introduced, as a result of the solicitation, and these Solicitor’s Disclosure Statements should be reviewed carefully by prospective Clients.

As discussed in *Item 10 – Other Financial Industry Activities and Affiliations* of this Brochure, each affiliated person who participates in the marketing and distribution of shares of the Open-End Funds are registered representatives of Foreside Fund Services, LLC and hold FINRA licenses but do not receive any compensation from Foreside Fund Services, LLC. These affiliated persons are compensated directly by Contego and are not paid from any advisory Client account. Receiving (or the prospect of receiving) compensation may provide an incentive for employees to favor sales of strategies that generate a higher rate of revenue and for which they receive a higher compensation rate.

From time to time, Contego may compensate certain unaffiliated broker-dealers (“Wholesalers”) for the marketing and distribution of shares of the Open-End Funds, in compliance with applicable law. Each Wholesaler is compensated by Contego for providing such service, pursuant to an agreement between Contego and each individual Wholesaler. The Wholesalers are not affiliated with Contego, its affiliates, or any of its Clients. Contego does not execute transactions for any of its Clients through the Wholesalers.

Consistent with Contego’s policy and applicable regulation, Contego from time to time also pays for, or reimburses broker-dealers to cover various costs arising from, or activities that may result in, the sale of advisory products or services, including: (i) Client and prospective Client meetings and entertainment; (ii) sales and marketing materials; (iii) educational and training meetings or entertainment activities with the registered representatives of such broker-dealers and other personnel from entities that distribute Contego products and/or services; and (iv) charitable donations in connection with events involving personnel or Clients of entities that distribute Contego’s products and/or services.

Further, from time to time, Contego may have arrangements in place to purchase services, publications, general consulting advice, conference attendance, or limited advisory services from third-party consultants. Generally, these consultants do not solicit Clients on behalf of Contego or its affiliates but may recommend Contego or its affiliated investment advisers to their Clients. To the extent Contego enters into a referral arrangement with third-party consultants, such arrangement will be made in accordance with the Cash Solicitation Rule.

As stated in *Item 12 – Brokerage Practices*, Contego may allocate portfolio transactions to broker-dealers who provide research and/or related services.

## Item 15 Custody

Contego does not act as custodian for Client assets. However, under Rule 206(4)-2 under the Advisers Act, Contego is deemed to have constructive custody of certain Client assets. In the case of Open-End Funds, arrangements have been made with qualified custodians as disclosed in the Open-End Funds governing documents (i.e., prospectus and statement of additional information). In addition, Open-End Funds obtain additional financial statements which statements are provided to investors no later than 120 days following the fiscal year end.

In the case of Separate Accounts, Clients may give Contego the power to withdraw funds or securities maintained with a custodian upon request. Without coming to a legal conclusion as to whether Contego would have custody over these assets, Contego operates as if it does have custody in such situations. Accordingly, any Separate Account Clients will receive account statements from their broker-dealer, bank, or qualified custodian and should carefully review those statements.

Separate Accounts Clients should carefully review those statements and, to the extent Contego also delivers statements to such Clients, compare Contego statement to the statements of the qualified custodian. For tax and other purposes, the custodial statement is the official record of a Separate Account Client's account and assets. Statements received from Contego may vary from the custodial statements based on accounting procedures, reporting dates or valuation methodologies for certain securities.

Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by Contego Capital Group, Inc.

See *Item 13 – Review of Accounts* of this Brochure for more information about Contego's account statements.

When advisory fees are deducted from the account by the qualified custodian: Contego will provide clients with an invoice prior to instructing the custodian to deduct the fee stating the amount of the fee, the formula used to calculate the fee, the amount of assets under management the fee is based on and the time period covered by the fee; Contego Capital Group, Inc. has obtained written authorization signed by the client allowing the fees to be deducted; and the client receives quarterly statements directly from the custodian which disclose the fees deducted.

## **Item 16 Investment Discretion**

As a general rule, Contego accepts, but does not require, discretionary authority to manage securities accounts on behalf of clients. Accounts placed with TPMs are required to provide Contego with discretionary authority. Contego as the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, Contego Capital consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given. The client approves the custodian to be used and the commission rates paid to the custodian. Contego does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades. Recommendations to purchase shares of the AlphaCentric Robotics & Automation mutual fund are always made on a non-discretionary basis which means we will attain each client's written approval to invest in the mutual fund.

See *Item 4 – Advisory Business* of this Brochure for additional information on Clients' ability to tailor investment guidelines. See *Item 12 – Brokerage Practices* of this Brochure for more information.

## **Item 17 Voting Client Securities**

Contego Capital Group, Inc. does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent. When assistance on voting proxies is requested, Contego Capital Group, Inc. will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## Item 18 Financial Information

**Balance Sheet.** As Contego does not serve as a qualified custodian for client funds or securities, a balance sheet is not required to be provided.

***Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients.*** Contego Capital Group, Inc. has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

***Bankruptcy Petitions during the Past Ten Years.*** Contego Capital Group, Inc. has not had any bankruptcy petitions in the last ten years.