

Capital Growth & Shelter, Inc.

PO Box 226 Ballston Spa, NY 12020

(518) 399-3372

[www.capitalgrowthonline.com](http://www.capitalgrowthonline.com)

December 31, 2022

This Brochure provides information about the qualifications and business practices of [Capital Growth & Shelter, Inc.](#) If you have any questions about the contents of this Brochure, please contact us at (518) 399-3372 or [capital\\_growth@hotmail.com](mailto:capital_growth@hotmail.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

[Capital Growth & Shelter, Inc.](#) is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about [Capital Growth & Shelter, Inc.](#) also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated [December 31, 2022](#) is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting [Capital Growth & Shelter, Inc.](#) at [\(518\) 399-3372](#) or [capital\\_growth@hotmail.com](mailto:capital_growth@hotmail.com). Our Brochure is also available on our web site [www.capitalgrowthonline.com](http://www.capitalgrowthonline.com), also free of charge.

Additional information about [Capital Growth & Shelter, Inc.](#) is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with [Capital Growth & Shelter, Inc.](#) who are registered, or are required to be registered, as investment adviser representatives of [Capital Growth & Shelter, Inc.](#)

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### **Item 4 - Advisory Business**

Once a client's investment factors are established and a determination made as to the suitability of the account for the client, client shall open an asset management account with a broker/dealer and an investment company or another financial institution. The advisor shall monitor the assets with the account and, where authorized, purchase and/or sell securities on a non-discretionary basis within the account according to the terms and conditions of the authorizing document(s) which the client executes in connection with the account in furtherance of client's investment objectives and consistent with client's investment factors.

Regarding the calculation of assets under management for instruction 4.E., the date “as of” which we calculated the amounts disclosed was December 31, 2022.

## Item 5 – Fees and Compensation

Fees for asset management services are billed quarterly based on the performance of the net assets in the account(s) under management as of the last day of the quarter.

The total annual fee is based on a percentage of the account value, as follows:

\$0-\$500,000	1.00%
\$500,001 - \$2,000,000	0.75%
\$2,000,001 - up	0.50%

These fees are negotiable. The quarterly bill is calculated by applying the appropriate annual percentage rate and dividing by four. Cancellation can be done at any time.

The specific manner in which fees are charged by [Capital Growth & Shelter, Inc.](#) is established in a client’s written agreement with [Capital Growth & Shelter, Inc.](#) [Capital Growth & Shelter, Inc.](#) will generally bill its fees on a quarterly basis in arrears. Clients may also elect to be billed directly for fees or to authorize [Capital Growth & Shelter, Inc.](#) to directly debit fees from client accounts.

Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter may be charged a prorated fee upon request. Upon termination of any account, any earned, unpaid fees will be due and payable.

[Capital Growth & Shelter, Inc.](#)’s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund’s prospectus.

Such charges, fees and commissions are exclusive of and in addition to [Capital Growth & Shelter, Inc.](#)’s fee, and [Capital Growth & Shelter, Inc.](#) shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that [Capital Growth & Shelter, Inc.](#) considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

**Capital Growth & Shelter, Inc.** does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

**Capital Growth & Shelter, Inc.** provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

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

Clients are requested to complete a Risk Tolerance questionnaire and/or to participate in a personal interview to determine risk tolerance and goals where an explanation that investing in securities involves risk of loss and that clients should be prepared to bear that risk.

None of the portfolios used involve exceptional risk. Portfolios are broken down into 7 categories (Ultra Conservative, Conservative, Conservative Plus, Balanced, Growth, Growth Plus, and Aggressive). Investing in the Aggressive portfolio involves the highest risk but still maintains a risk level of +1Beta or less.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of **Capital Growth & Shelter, Inc.** or the integrity of **Capital Growth & Shelter, Inc.**'s management. **Capital Growth & Shelter, Inc.** has no information applicable to this Item.

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

Capital Growth & Shelter, Inc. also sells Life, Accident and Health Insurance as licensed by New York State on a full time basis. Approximately 15% of annual business is Insurance related.

Related Person: Kenneth L. Hooker

Relationship/Arrangements: Kenneth L. Hooker is a Registered Principal with Cetera Advisors LLC and President/Owner of Capital Growth & Shelter, Inc. and utilizes Cetera Advisors LLC as Compliance oversight on all account.

Related Person: Colleen Tobey

Relationship/Arrangements: Colleen Tobey is a Registered Admin with Cetera Advisors LLC and Investment Advisor Representative of Capital Growth & Shelter, Inc. and utilizes Cetera Advisors LLC as Compliance oversight on all account.

## **Item 11 – Code of Ethics**

### Capital Growth & Shelter, Inc.

Trading Code of Ethics For Registered Representatives and Investment Adviser Representatives

#### SECTION 1 Statement of General Principles

Capital Growth & Shelter Incorporated is committed to provide brokerage services and/or investment advice with the utmost professionalism and integrity. These qualities are a vital business asset. The confidence placed in us by our clients is something that we value and should protect. Capital Growth & Shelter Incorporated, including its directors, officers, employees, and representatives, owes its clients undivided loyalty and should not engage in any activity that conflicts with the interests of any client. Doubtful situations should be resolved in favor of Capital Growth & Shelter Incorporated's clients. To help avoid any potential conflicts that might damage our professional reputation and to ensure compliance with the securities laws, this Code of Ethics sets forth guidelines and restrictions for personal securities trading, including an absolute prohibition against trading on the basis of "inside" (i.e., material, non-public) information. Adherence to this Code of Ethics is a condition of your engagement or employment. If you have any doubt regard regarding the propriety of any investment -- personal or otherwise -- you should consult with Capital Growth & Shelter Incorporated's Corporation before taking any action.

Each Capital Growth & Shelter Incorporated director, officer and employee must certify in writing upon employment or engagement, and annually thereafter, that he or she has received, understood and reviewed Capital Growth & Shelter Incorporated's Code of Ethics and Insider Trading Policy and agrees to adhere to that policy.

#### SECTION 2 Applicability of Code of Ethics

This Code of Ethics applies to all directors, officers, employees, and registered representatives of Capital Growth & Shelter Incorporated (collectively, "Associates") and to all transactions in any security or derivative thereof for any Associate Account or Related Account.

### SECTION 3 Definitions

“Associate Account” means the following securities accounts: your personal account; any joint or tenant-in-common account in which you have an interest or are a participant; any account for which you act as a trustee, executor or custodian; any account over which you have investment discretion or otherwise can exercise control, including the accounts of entities controlled directly or indirectly by you; and any other account in which you have a direct or indirect beneficial or financial interest (other than such accounts over which you have no investment discretion and cannot otherwise exercise control).

“Related Account” means the following securities accounts, to the extent that they otherwise would not be Associate Accounts: any account of your spouse or your minor children; any account of a relative to whose support you contribute directly; and any account of any other relative residing in your household.

“Security” means stocks, notes, debentures, limited partnership interests, and investment contracts, plus all derivative instruments, such as options and warrants, that are related to the foregoing. A financial instrument and its equivalent or derivative securities are considered to be the same security.

### SECTION 4 Guidelines for Personal Investing

Capital Growth & Shelter Incorporated Associates must abide by the following rules and restrictions with respect to any and all securities transactions in their Associate Accounts and/or Related Accounts:

#### 4.1 Restriction on Purchases During IPOs

Capital Growth & Shelter Incorporated Associates may not purchase securities in an initial public offering ("IPO") without the review and written approval by the Corporation or designee.

Any short-term profits earned by Capital Growth & Shelter Incorporated Associates in an IPO may create at least the appearance that an investment opportunity that should have been available to clients was diverted to the personal benefit of a Capital Growth & Shelter Incorporated employee. It also may create the impression that future investment decisions for clients were pursued for reasons other than because they were in the best interest of the clients. Capital Growth & Shelter Incorporated believes that restricting the purchase of securities in an IPO will reduce these potential conflicts.

#### 4.2 Prior Approval for Participation in Private Placements

Capital Growth & Shelter Incorporated Associates must obtain prior approval for participation in any private placement. All Capital Growth & Shelter Incorporated Associates are required to obtain prior written approval for participation in any private securities transactions as defined by FINRA Rule 3040 and Capital Growth & Shelter Incorporated. Please refer to the section covering private securities transactions in Capital Growth & Shelter Incorporated's policies and procedures for information on how to submit requests to participate in private securities transactions.

#### 4.3 Personal Accounts of Associates Approved to Give Investment Advice to Capital Growth & Shelter Incorporated Clients (IARs)

Application materials received from Capital Growth & Shelter Incorporated Representatives who wish to register as IARs with Capital Growth & Shelter Incorporated must disclose all personal investment accounts.

Approval as an IAR is contingent upon the transfer all such accounts to Capital Growth & Shelter Incorporated that are currently held at other investment/brokerage firms where they are registered owners or tenants on the accounts, or where they have any control over investment decisions.

The current exceptions to the requirement to transfer all personal and related accounts to Capital Growth & Shelter Incorporated include:

Accounts for household members where the IAR is not a registered owner or tenant.

Accounts with outside money managers or advisers that have discretionary authority over IARs' accounts. However, transactions in these accounts should still be reported on a quarterly basis and the Compliance Department should receive duplicate statements of an account if the IAR is a registered owner.

Approval to open or retain an IAR Account through a financial services firm other than the Capital Growth & Shelter Incorporated (not including direct with a mutual fund or variable annuity sponsor) must be requested from the Corporation or their Designee who shall approve or deny the request.

In addition, all Capital Growth & Shelter Incorporated IARs are required to submit quarterly reports of transactions in their Associate Accounts using the Quarterly Personal Transaction Report Form (QPTRF) via their broker-dealer, Cetera Advisors LLC.

#### 4.4 Personal Accounts of Associates Approved to Sell Approved Securities Products to, and Execute Transactions for Clients (RRs)

Capital Growth & Shelter Incorporated RRs that wish to open Associate Accounts at other investment/brokerage firms where they are registered owners or tenants on the accounts, or where they have any control over investment decisions, are required to disclose to their brokers that they are FINRA registrants of Capital Growth & Shelter Incorporated and must obtain written approval for the opening of such accounts and provide it to their brokers. By FINRA Rule, brokers are prohibited from opening such accounts without written authorization from Capital Growth & Shelter Incorporated. Additionally, Capital Growth & Shelter Incorporated RRs that have Associate Accounts held at other investment/brokerage firms where they are registered owners or tenants on the accounts, or where they have any control over investment decisions, are required to direct their brokers to supply duplicate copies of confirmations of all personal securities transactions and quarterly statements of Associate Accounts to Capital Growth & Shelter Incorporated.

#### 4.5 Disclosure of Personal Holdings

Upon commencement of employment or engagement, all Capital Growth & Shelter Incorporated Associates are required to submit information on securities holdings in their Associate Accounts using an Outside Brokerage Account form. Annually thereafter, all Capital Growth & Shelter Incorporated Associates are required to confirm such information on their annual compliance questionnaire and have an ongoing responsibility to adhere to firm policy with respect to the opening of new Associate Accounts and, to update Associate Account information when there are any changes.

#### 4.6 Short Sales

Capital Growth & Shelter Incorporated Associates are forbidden from engaging in short sales unless they are "against the box" and comply with the other provisions in this Code of Ethics.

#### 4.7 Exceptions

There may be some circumstances in which exceptions to these restrictions will be allowed. Any such requests will be reviewed on an individual basis by the Corporation.

#### 4.8 Exempted Transactions

The following transactions are specifically exempted from the requirements set forth in Sections A through F above:

Transactions in securities issued by the government of the United States.

Transactions in shares of an open-end investment company.

Transactions involving "non-brokered" bank certificates of deposit, commercial paper, or repurchase agreements.

Transactions effected in any account over which the Capital Growth & Shelter Incorporated Associate has no direct or indirect influence or control (e.g., a blind trust or an account or trust managed by a third party with full investment discretion).

Transactions that are part of an automatic dividend reinvestment plan or transactions that are part of a payroll deduction plan pursuant to which an employee receives the securities of his employer.

Transactions in stock index futures (such as the S&P 500) and options on futures contracts.

Transactions resulting from corporate actions of a publicly traded company, such as stock dividends, stock splits, reverse stock splits, mergers, consolidations, spin-offs, or other similar corporate reorganizations or distributions generally applicable to all holders of the same class of securities.

Acquisitions through the exercise of rights issued pro rata to all holders of a class.

### SECTION 5 Insider Trading Prohibition

In the course of your duties as a Capital Growth & Shelter Incorporated Associate, you may acquire "material, non-public information," also referred to as "inside information," regarding a company or its securities. Material, non-public information is any information that may influence an investment decision relating to a security, or that may affect an analysis of the value of a security, and that is not generally available to the public, whether in filings with the Securities and Exchange Commission or otherwise.

Trading on the basis of material, non-public information -- regardless of whether it is for a client account or an Associate Account -- is a violation of the federal securities laws, punishable by imprisonment and severe fines. Consequently, in addition to the restrictions on personal securities transactions set forth in this Code of Ethics, Capital Growth & Shelter Incorporated Associates are strictly prohibited from: (1) trading, either in an Associate Account or the account of any other person (including client accounts) on the basis of material, non-public information; or (2) communicating material nonpublic information to others in violation of the law.

Capital Growth & Shelter Incorporated has adopted an "Insider Trading Policy" that describes more fully what constitutes "insider trading" and the legal penalties for engaging in it. That policy is attached to this Code. Capital Growth & Shelter Incorporated Associates should refer to the Insider Trading Policy (as well as this Code) whenever any question arises regarding what to do if a Capital Growth & Shelter Incorporated Associate believes he or she may have material nonpublic information.

### SECTION 6 Other Restrictions

#### 6.1 Gifts

Capital Growth & Shelter Incorporated Associates are prohibited from accepting any gift of more than \$100 from any individual doing business with or on behalf of a client for which Capital Growth & Shelter Incorporated acts as adviser. Capital Growth & Shelter Incorporated Associates are precluded from giving any gift of more than \$100 to any individual doing business with or on behalf of a client for which Capital Growth & Shelter Incorporated acts as adviser. Occasional business meals and entertainment are excluded from the definition of "gift," provided that the Capital Growth & Shelter Incorporated Associate is present at such events.

## SECTION 7 Supervisory Procedures

A Compliance Committee, including the CEO, and the Corporation, will oversee compliance with this Code of Ethics.

### 7.1 Prevention of Violations

To prevent violations of this Code and of Capital Growth & Shelter Incorporated's Insider Trading Policy, the Corporation or Designee will:

Answer questions regarding this Code and the Insider Trading Policy;

- Review accounts, statements, confirms, and trading activity reports filed by each Capital Growth & Shelter Incorporated Associate, as applicable and coordinate the review of such media with the other members of the Compliance Committee as may be appropriate;

Accept and review Trade Authorization Requests and either grant or deny such requests promptly; and Promptly, upon learning of a potential violation of this Code or of the Insider Trading Policy, prepare a written report to other members of the Compliance Committee providing full details and recommendations for further action.

In addition, the Compliance Committee will:

Resolve issues of whether information received by a Capital Growth & Shelter Incorporated Associate is material and nonpublic;

Review on a regular basis and update as necessary this Code and the Insider Trading Policy;

When it has been determined that a Capital Growth & Shelter Incorporated Associate has material nonpublic information, implement measures as appropriate to prevent dissemination of and trading on such information;

Upon a determination that a Capital Growth & Shelter Incorporated Associate has violated this Code or the Insider Trading Policy, determine appropriate sanctions, including, among other things, suspension or dismissal, and take any necessary action to prevent further violations.

### 7.2 Recordkeeping

The CCO or designee will maintain, in an accessible place, the following materials:

A copy of this Code and the Insider Trading Policy;

A record of any violation of this Code and the Insider Trading Policy for the most recent six years, and a synopsis of the actions taken in response; and

A copy of the documentation required to be filed under this Code and the Insider Trading Policy for the most recent six years.

## SECTION 8 APPENDIX

### 8.1 Insider Trading Policy

#### 8.1.1 General Principles

It is the policy of Capital Growth & Shelter Incorporated that no officer, director, employee, or representative of Capital Growth & Shelter Incorporated (collectively "Capital Growth & Shelter Incorporated Associates") may: (i) trade, either personally or on behalf of others (including investment companies, collective investment funds, common trust funds and trust accounts managed or advised by Capital Growth & Shelter Incorporated), on the basis of material nonpublic information or (ii) communicate material nonpublic information to others in violation of the law -- conduct that is commonly called "insider trading." This policy extends to activities both within and outside of their duties at Capital Growth & Shelter Incorporated. Each Capital Growth & Shelter Incorporated Associate must

read this policy statement and acknowledge his or her understanding of it. Terms used in this policy but not defined will have the meanings given them in Capital Growth & Shelter Incorporated's Code of Ethics. The term "insider trading" is not defined in the federal securities laws, but generally is used to refer to the use of material nonpublic information to trade in securities (whether or not one is an "insider") and to the communication of material nonpublic information to others. The law concerning insider trading is generally understood to prohibit:

Trading by an "insider" while he or she is in possession of material nonpublic information;

Trading by a non-insider while he or she is in possession of material nonpublic information, if the information either was disclosed to the non-insider in violation of an insider's duty to keep it confidential or was misappropriated; and

Communicating material nonpublic information to others in violation of one's duty to keep such information confidential.

The elements of insider trading and the penalties for it are discussed below. If, after reviewing this policy statement, you have any questions, you should consult the Corporation.

#### 8.1.2 Who is an Insider?

The concept of an "insider" is broad. It includes officers, directors and employees of a company. In addition, a person can be a "temporary insider" if he or she enters into a special confidential relationship in the conduct of a company's affairs and as a result is given access to information solely for the company's purposes. A temporary insider can include certain "outsiders" such as, among others, a company's attorneys, accountants, consultants, bank lending officers and the employees of such organizations. According to the United States Supreme Court, before such an "outsider" may be considered a "temporary insider," the company's relationship with the outsider must be such that the company reasonably expects him or her to keep the disclosed nonpublic information confidential.

#### 8.1.3 What is Material Information?

Information generally is material if there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or if public dissemination of it is reasonably certain to have a substantial effect on the price of a company's securities. Information that should be presumed to be material includes, but is not limited to: dividend changes; earnings estimates; changes in previously released earnings estimates; significant merger or acquisition proposals or agreements; commencement of or developments in major litigation; liquidation problems; and extraordinary management developments.

Material information does not have to relate to a company's business. For example, in one case, the Supreme Court considered as material certain information about the contents of a forthcoming newspaper column that was expected to affect the market price of a security.<sup>4</sup> In that case, a Wall Street Journal reporter was found criminally liable for disclosing to others the dates that reports on various companies would appear in the Journal and whether those reports would be favorable or not. Perhaps more importantly, knowledge of a decision, or an impending decision, by Capital Growth & Shelter Incorporated to buy or sell a security for its clients or to recommend a security can constitute "material" information.

#### 8.1.4 What is Nonpublic Information?

Information is nonpublic until it has been effectively communicated to the marketplace. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the Securities and Exchange Commission, or appearing in Dow Jones, Reuters

Economic Services, The Wall Street Journal or other publications of general circulation would be considered public.

## 8.2 Bases for Liability

### 8.2.1 Fiduciary Duty Theory

In 1980, the Supreme Court found that there is no general duty to disclose before trading on material nonpublic information, but that such a duty arises only where there is a fiduciary relationship. That is, there must be a relationship between the (Carpenter v. U.S., 108 U.S. 316 (1987) parties to the transaction such that one party has a right to expect that the other party will disclose any material nonpublic information or refrain from trading.<sup>2</sup>

In Dirks v. SEC,<sup>3</sup> the Supreme Court stated alternate theories under which non-insiders can acquire the fiduciary duties of insiders: they can enter into a confidential relationship with the company through which they gain information (e.g., attorneys, accountants); or they can acquire a fiduciary duty to the company's shareholders as "tippees" if they are aware or should have been aware that they have been given confidential information by an insider who has violated his fiduciary duty to the company's shareholders.

In the "tippee" situation, a breach of duty occurs if the insider personally benefits, directly or indirectly, from the disclosure. However, the benefit does not have to be monetary: it can be a gift, a reputational benefit that will translate into future earnings, or even evidence of a relationship that more obscurely suggests a "quid pro quo." To avoid being considered "tippees," Capital Growth & Shelter Incorporated Associates should remain alert during conversations with corporate insiders. Capital Growth & Shelter Incorporated Associates should refuse to accept any "tips" offered by such insiders and should discourage (and, if necessary, refuse to engage in) any discussions that are likely to result in the receipt of inside information by Capital Growth & Shelter Incorporated Associate.

### 8.2.2 Misappropriation Theory

Another basis for insider trading liability is the "misappropriation" theory, where trading occurs on material nonpublic information that was stolen or misappropriated from any other person. In Carpenter v. U.S.,<sup>4</sup> the Court found that a columnist defrauded The Wall Street Journal when he stole information from the Journal and used it for trading in the securities markets.

The misappropriation theory can be used to reach a variety of individuals not previously thought to be encompassed under the fiduciary duty theory.

### 8.2.3 Takeover-Related Information

One of the most abused types of material nonpublic information is information regarding impending corporate takeovers. To address historical abuses, the SEC adopted Rule 14e-3 under the Securities Exchange Act of 1934. That Rule imposes liability, in addition to any liability that may arise under the other theories described above for trading while in possession of material information relating to a tender offer if the person trading knows or has reason to know that the information is nonpublic and has been obtained directly or indirectly from (i)

2 Chirella v. U.S., 445 U.S. 22 (1980).

3 463 U.S. 646 (1983).

4 108 U.S. 316 (1987).

the offeror, (ii) the target company, or (iii) any officer, director, partner or employee, or any other person acting on behalf of, either the offeror or the target company.

### 8.3 Penalties for Insider Trading

Penalties for trading on or communicating material nonpublic information are severe, both for individuals involved in the trading (or tipping) and their firms. A person can be subject to some or all of the penalties below even if he or she does not personally benefit from the violation. Penalties include:

civil injunctions;

damages in a civil suit;

disgorgement of profits;

jail sentences;

heavy fines for the person who committed the violation of up to three times the profit gained or loss avoided, whether or not the person actually benefited;

heavy fines for the employer or other controlling person; and

prohibition from employment in the securities industry.

In addition, any violation of this policy statement can be expected to result in serious disciplinary measures by Capital Growth & Shelter Incorporated, including dismissal of the Capital Growth & Shelter Incorporated Associate(s) involved.

## SECTION 9 Procedures to Implement Capital Growth & Shelter Incorporated's Policy Against Insider Trading

The following procedures have been established to aid Capital Growth & Shelter Incorporated Associates in avoiding insider trading, and to aid Capital Growth & Shelter Incorporated in preventing, detecting and punishing insider trading. Every Capital Growth & Shelter Incorporated Associate must follow these procedures or risk serious sanctions, including dismissal, substantial personal liability and criminal penalties. If you have any questions about these procedures you should consult the Corporation.

### 9.1 Identifying Inside Information

Any time you think you may have inside information about a company, before you can place any trade in that company's securities, either for yourself or for others (including Capital Growth & Shelter Incorporated clients), and before you advise anyone (including Capital Growth & Shelter Incorporated clients) to trade, in that company's securities, you must take the following steps:

Report the matter immediately to the Corporation.

Do not purchase or sell the securities on behalf of any account, including, but not limited to an Associate Account or a client account.

Do not communicate the information inside or outside Capital Growth & Shelter Incorporated, other than to the Corporation. After the Corporation has reviewed the issue, you will be instructed to continue the prohibitions against trading and communication, or you will be allowed to trade and communicate the information.

The following questions may help you identify when information must be brought to the attention of the Corporation:

Is the information material? Is this information that an investor would consider important in making his or her investment decisions? Is it information that would substantially affect the market price of the securities if generally disclosed?

Is the information nonpublic? To whom has this information been provided? Has it been effectively communicated to the marketplace by appearing on the Dow Jones wire or by being published in Reuters, The Wall Street Journal or other publications of general circulation?

If, after asking these questions, you believe the information is material and nonpublic, or if you have any doubt as to whether the information is material and nonpublic, you must follow the steps outlined above.

## 9.2 Restricting Access to Material Nonpublic Information

Information in your possession that you identify as material and nonpublic may not be communicated to anyone, including persons within Capital Growth & Shelter Incorporated, except as provided in paragraph A above. In addition, you should take steps to keep such information secure.

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

Capital Growth & Shelter, Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Capital Growth & Shelter, Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Capital Growth & Shelter, Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. Capital Growth & Shelter, Inc.'s employees and persons associated with Capital Growth & Shelter, Inc. are required to follow Capital Growth & Shelter, Inc.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Capital Growth & Shelter, Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Capital Growth & Shelter, Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Capital Growth & Shelter, Inc. will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Capital Growth & Shelter, Inc.'s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Capital Growth & Shelter, Inc. and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Capital Growth & Shelter, Inc.'s obligation of best execution. In such circumstances,

the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Capital Growth & Shelter, Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Capital Growth & Shelter, Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting (518) 399-3372.

It is Capital Growth & Shelter, Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Capital Growth & Shelter, Inc. will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

All portfolio assets are held directly at the mutual fund company, Fidelity Advisors.

## **Item 13 – Review of Accounts**

A review of assets in the investment portfolios is conducted on a quarterly basis as well as when requested by clients due to a change in need or in circumstances. Quarterly account value reports are generated by the Custodian showing transactions within the account, current balance and recording the debited asset management fee.

## **Item 14 – Client Referrals & Other Compensation**

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

## Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. [Capital Growth & Shelter, Inc.](#) urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16 – Investment Discretion

[Capital Growth & Shelter, Inc.](#) usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, [Capital Growth & Shelter, Inc.](#) observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, [Capital Growth & Shelter, Inc.](#)'s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to [Capital Growth & Shelter, Inc.](#) in writing.

## Item 17 – Voting *Client* Securities

As a matter of firm policy and practice, [Capital Growth & Shelter, Inc.](#) does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. [Capital Growth & Shelter, Inc.](#) may provide advice to clients regarding the clients' voting of proxies.

## Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about [Capital Growth & Shelter, Inc.](#)'s financial condition. [Capital Growth & Shelter, Inc.](#) has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 – Requirements for State- Registered Advisers**

Kenneth L. Hooker, b. 1950; Education: Herkimer County Community College, American College for Financial Planning - Chartered Financial Consultant Certificate 2003. Employment: Registered Principal (series 24,27,7,6,63, 53, 26) w/Cetera Advisors LLC, Jan. 2004 - present. Registered Principal (series 24,27,7,6,63) w/VESTAX Securities Corporation, May 1999 - Jan. 2004. Registered Principal (series 24,27,7,6,63) w/FSC Securities Corporation, May 1996 - Apr. 1999. President/Owner of Capital Growth & Shelter, Inc., Oct. 1986 - present. Co-owner, CGS Accounting, Jan. 1993 - present.

Colleen Tobey, b. 1967; Education: SUNY@Cobleskill, SUNY@Albany. Employment: Registered Admin (series SIE, 6, 63, 65, 7, 24, 52, 53) w/Cetera Advisors LLC, Apr. 2016 - present. Business Manager, Capital Growth & Shelter, Inc., Feb. 1999 – present.