

# myCIO Wealth Partners, LLC

SEC File Number: 801 – 64053

ADV Part 2A, Firm Brochure  
Dated: March 27, 2023

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**This Brochure provides information about the qualifications and business practices of myCIO Wealth Partners, LLC. If you have any questions about the contents of this Brochure, please contact us at (267) 295-2280 or [james.biles@myciowp.com](mailto:james.biles@myciowp.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.**

**Additional information about myCIO Wealth Partners, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to myCIO Wealth Partners, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

This Item requires us to summarize any material change to our Form ADV Part 2A since our last annual update on March 30, 2022. While we do not believe that the following change(s) is/are material, we have nonetheless summarized our change(s) to the current Form ADV Part 2A below:

- Item 4 – Advisory Business: We updated this Item to reflect our assets under management as approximately \$12.007 billion as of December 31, 2022, of which approximately \$11.528 billion is non-discretionary and approximately \$479 million is discretionary. For additional information regarding myCIO Wealth Partners, LLC’s AUM calculation and methodology, please refer to Schedule D of Part 1A of our Form ADV, Item 5.F(2).

myCIO Wealth Partners, LLC has also made other non-material changes throughout this Form.

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## Item 4            **Advisory Business**

- A. myCIO Wealth Partners, LLC (“myCIO”, the “Registrant”, the “Firm”) was organized as a limited liability company on March 23, 2005 in the Commonwealth of Pennsylvania and, on October 1, 2015, converted to a Delaware limited liability company. The Registrant became registered as an Investment Adviser Firm in April 2005. The Registrant’s advisory business is overseen by Partners James Joseph Biles, David Edmund Lees and Paul Joseph Bracaglia. In October 2015, Affiliated Managers Group, Inc. (“AMG”) acquired an equity interest in the Registrant. The Registrant’s Partners hold the remaining equity interests in the Firm. AMG, a publicly traded asset management company (NYSE: AMG), also holds equity interests in certain other investment advisers (“AMG Affiliates”). Further information on AMG and the AMG Affiliates is provided in Item 10.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, trusts, estates, charitable organizations, pension and profit-sharing plans, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis. The Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management. The Registrant provides investment advisory services specific to the needs of each client. Before providing investment advisory services, the Registrant will ascertain each client’s investment objectives. Thereafter, the Registrant will allocate and/or recommend that the client allocate investment assets consistent with the designated investment objectives. Once allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives and may rebalance or recommend rebalancing the account based on such reviews.

### **PRIVATE INVESTMENT FUNDS**

**Affiliated Private Funds.** The Registrant is affiliated with several private investment funds: REF Partners, LP, RUS Partners, LP, , BRP II, LP, RSF Partners, LP and RSPAC Partners, LP (collectively, the “*affiliated funds*”). Condensed descriptions of each *affiliated fund* are set forth below. The Registrant, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the *affiliated funds*. The terms and conditions for participation in the *affiliated funds*, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund’s offering documents. Registrant’s clients are under no obligation to consider or make an investment in the *affiliated funds*.

**Risk Factors.** Private investment funds, *such as the affiliated funds*, generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund’s offering documents, which will be provided to each qualified client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective investor will be required to complete a Subscription Agreement, pursuant to

which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Conflicts of Interest.** To the extent that the Registrant manages any client account as an investment adviser and the client is also an investor in one or more of the *affiliated funds*, the Registrant will be entitled to an investment advisory fee as described in either the *Investment Advisory Agreement* and/or *Financial Planning Agreement*, in addition to an administrative fee received by the Registrant for services provided to one or more of the *affiliated funds*. **The Registrant's Chief Compliance Officer, James J. Biles, remains available to address any questions regarding this conflict of interest.**

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

#### **REF Partners, LP**

The Registrant's related party, myCIO Hedge Fund Advisors, LLC, serves as the General Partner for REF Partners, LP, a Delaware limited partnership (referred to as the "*REF Fund*"), which is an affiliated private investment limited partnership offered in accordance with Regulation D under SEC regulations. To the extent that certain of the Registrant's individual advisory clients qualify, and determine that an investment is appropriate given their investment objective(s) and financial situation, they may be eligible to participate as limited partners in the *REF Fund*. The *REF Fund* will then allocate investment assets within the RIEF Strategic Partners Fund LLC, an unaffiliated investment vehicle.

Investment in the *REF Fund* involves a significant degree of risk. All relevant information, terms and conditions relative to the *REF Fund*, including the administrative fee to be paid to the Registrant, suitability, investment strategy, risk factors, and potential conflicts of interest, are set forth in the Private Offering Memorandum, Limited Partnership Agreement, and Subscription Agreement, which each subscriber is required to receive and/or execute prior to being accepted as a Limited Partner of the *REF Fund*.

In such capacity (as a related party to the general partner of the REF Fund), the Registrant receives a fee from REF Partners in consideration of the Registrant managing REF Partners' operations. The annual administrative fee payable to the Registrant (through its affiliate) under the partnership agreement of REF Partners equals 0.50% (50 basis points) of the aggregate Capital Account balances of all Limited Partners (including the Registrant's clients) of REF Partners. Such annual administrative fee is in addition to fees charged by RIEF Strategic Partners Fund LLC. REF Partners (and thus Limited Partners of REF Partners, who may be the Registrant's clients) is responsible for fund fees and expenses (such fees and expenses include organizational expenses of REF Partners, custodial fees, interest and other lenders' charges (if any), taxes (other than income taxes, which will be the responsibility of the Limited Partners), brokerage commissions paid in the course of the purchase or sale of securities, legal, accounting, auditing and tax return preparation fee and expenses, auditing, tax return preparation fees, and all other expert and consulting fees and expenses arising in connection with REF Partners' business). The General Partner, myCIO Hedge Fund Advisors, LLC, which is fully and solely owned by the Registrant, has an ownership interest in the REF Fund.

### **RUS Partners, LP**

The Registrant's related party, myCIO Hedge Fund Advisors, LLC, serves as the General Partner for RUS Partners, LP, a Delaware limited partnership (referred to as the "RUS Fund"), which is an affiliated private investment limited partnership offered in accordance with Regulation D under SEC regulations. To the extent that certain of the Registrant's individual advisory clients qualify, and determine that an investment is appropriate given their investment objective(s) and financial situation, they may be eligible to participate as limited partners in the RUS Fund. The RUS Fund will then allocate investment assets within the Radcliffe Domestic Ultra Short Duration Fund, L.P., an unaffiliated investment vehicle.

Investment in the RUS Fund involves a significant degree of risk. All relevant information, terms and conditions relative to the RUS Fund, including the administrative fee to be paid to the Registrant, suitability, investment strategy, risk factors, and potential conflicts of interest, are set forth in the Private Offering Memorandum, Limited Partnership Agreement, and Subscription Agreement, which each subscriber is required to receive and/or execute prior to being accepted as a Limited Partner of the RUS Fund.

In such capacity (as a related party to the general partner of the RUS Fund), the Registrant receives a fee from the RUS Fund in consideration of the Registrant managing the RUS Fund's operations. The annual administrative fee payable to the Registrant (through its affiliate) under the partnership agreement of the RUS Fund equals 0.25% (25 basis points) of the aggregate Capital Account balances of all limited partners (including the Registrant's clients) of the RUS Fund. Such annual administrative fee is in addition to fees charged by Radcliffe Domestic Ultra Short Duration Fund, L.P. The RUS Fund (and thus limited partners of the RUS Fund, who may be the Registrant's clients) is responsible for RUS Fund fees and expenses (such fees and expenses include organizational expenses of the RUS Fund, custodial fees, interest and other lenders' charges (if any), taxes (other than income taxes, which will be the responsibility of the limited partners), brokerage commissions paid in the course of the purchase or sale of securities, legal, accounting, auditing and tax return preparation fee and expenses, auditing, tax return preparation fees, and all other expert and consulting fees and expenses arising in connection with Fund's business). The

General Partner, myCIO Hedge Fund Advisors, LLC, which is fully and solely owned by the Registrant, has an ownership interest in the RUS Fund.

### **BRP II, LP**

The Registrant's related party, myCIO Hedge Fund Advisors, LLC, serves as the General Partner for BRP II, LP, a Delaware limited partnership (referred to as the "*BRP Fund*"), which is an affiliated private investment limited partnership offered in accordance with Regulation D under SEC regulations. To the extent that certain of the Registrant's individual advisory clients qualify, and determine that an investment is appropriate given their investment objective(s) and financial situation, they may be eligible to participate as limited partners in the *BRP Fund*. The *BRP Fund* will then allocate investment assets within the Bay II Resource Partners, L.P. Fund, an unaffiliated investment vehicle.

Investment in the *BRP Fund* involves a significant degree of risk. All relevant information, terms and conditions relative to the *BRP Fund*, including the administrative fee to be paid to the general partner, suitability, investment strategy, risk factors, and potential conflicts of interest, are set forth in the Private Offering Memorandum, Limited Partnership Agreement, and Subscription Agreement, which each subscriber is required to receive and/or execute prior to being accepted as a Limited Partner of the *BRP Fund*.

In such capacity (as a related party to the General Partner of the *BRP Fund*), the Registrant receives a fee from the *BRP Fund* in consideration of the Registrant managing the *BRP Fund*'s operations. The annual administrative fee payable to the Registrant (through its affiliate) under the partnership agreement of the *BRP Fund* equals 0.50% (50 basis points) of the aggregate capital account balances of all Limited Partners (including the Registrant's clients) of the *BRP Fund*. Such annual administrative fee is in addition to fees charged by Bay II Resource Partners, L.P. Fund. The *BRP Fund* (and thus Limited Partners of the *BRP Fund*, who may be the Registrant's clients) is responsible for *BRP Fund* fees and expenses (such fees and expenses include organizational expenses of the *BRP Fund*, custodial fees, interest and other lenders' charges (if any), taxes (other than income taxes, which will be the responsibility of the Limited Partners), brokerage commissions paid in the course of the purchase or sale of securities, legal, accounting, auditing and tax return preparation fee and expenses, auditing, tax return preparation fees, and all other expert and consulting fees and expenses arising in connection with *BRP Fund*'s business). The General Partner, myCIO Hedge Fund Advisors, LLC, which is fully and solely owned by the Registrant, has an ownership interest in the *BRP Fund*.

### **RSF Partners, LP**

The Registrant's related party, myCIO Hedge Fund Advisors, LLC, serves as the General Partner for RSF Partners, LP, a Delaware limited partnership (referred to as the "*RSF Fund*"), which is an affiliated private investment limited partnership offered in accordance with Regulation D under SEC regulations. To the extent that certain of the Registrant's individual advisory clients qualify, and determine that an investment is appropriate given their investment objective(s) and financial situation, they may be eligible to participate as limited partners in the *RSF Fund*. The *RSF Fund* will then allocate investment assets within the Radcliffe Domestic Ultra Short Duration Select Fund, L.P., an unaffiliated investment vehicle.

Investment in the *RSF Fund* involves a significant degree of risk. All relevant information, terms and conditions relative to the *RSF Fund*, including the administrative fee to be paid to the Registrant, suitability, investment strategy, risk factors, and potential conflicts of interest, are set forth in the Private Offering Memorandum, Limited Partnership Agreement, and Subscription Agreement, which each subscriber is required to receive and/or execute prior to being accepted as a Limited Partner of the *RSF Fund*.

In such capacity (as a related party to the General Partner of the *RSF Fund*), the Registrant receives a fee from the *RSF Fund* in consideration of the Registrant managing the *RSF Fund*'s operations. The annual administrative fee payable to the Registrant (through its affiliate) under the partnership agreement of the *RSF Fund* equals 0.20% (20 basis points) of the aggregate capital account balances of all Limited Partners (including the Registrant's clients) of the *RSF Fund*. Such annual administrative fee is in addition to fees charged by Radcliffe Domestic Ultra Short Duration Select Fund, L.P. The *RSF Fund* (and thus Limited Partners of the *RSF Fund*, who may be the Registrant's clients) is responsible for *RSF Fund* fees and expenses (such fees and expenses include organizational expenses of the *RSF Fund*, custodial fees, interest and other lenders' charges (if any), taxes (other than income taxes, which will be the responsibility of the Limited Partners), brokerage commissions paid in the course of the purchase or sale of securities, legal, accounting, auditing and tax return preparation fee and expenses, auditing, tax return preparation fees, and all other expert and consulting fees and expenses arising in connection with *RSF Fund*'s business). The General Partner, myCIO Hedge Fund Advisors, LLC, which is fully and solely owned by the Registrant, has an ownership interest in the *RSF Fund*.

#### **RSPAC Partners, LP**

The Registrant's related party, myCIO Hedge Fund Advisors, LLC, serves as the General Partner for RSPAC Partners, LP, a Delaware limited partnership (referred to as the "*RSPAC Fund*"), which is an affiliated private investment limited partnership offered in accordance with Regulation D under SEC regulations. To the extent that certain of the Registrant's individual advisory clients qualify, and determine that an investment is appropriate given their investment objective(s) and financial situation, they may be eligible to participate as limited partners in the *RSPAC Fund*. The *RSPAC Fund* will then allocate investment assets within the Radcliffe Domestic SPAC Fund, L.P., an unaffiliated investment vehicle.

Investment in the *RSPAC Fund* involves a significant degree of risk. All relevant information, terms and conditions relative to the *RSPAC Fund*, including the administrative fee to be paid to the Registrant, suitability, investment strategy, risk factors, and potential conflicts of interest, are set forth in the Private Offering Memorandum, Limited Partnership Agreement, and Subscription Agreement, which each subscriber is required to receive and/or execute prior to being accepted as a Limited Partner of the *RSPAC Fund*.

In such capacity (as a related party to the general partner of the *RSPAC Fund*), the Registrant receives a fee from the *RSPAC Fund* in consideration of the Registrant managing the *RSPAC Fund*'s operations. The annual administrative fee payable to the Registrant (through its affiliate) under the partnership agreement of the *RSPAC Fund* equals 0.35% (35 basis points) of the aggregate Capital Account balances of all Limited Partners (including the Registrant's clients) of the *RSPAC Fund*. Such annual administrative fee is in addition to fees charged by Radcliffe Domestic SPAC Fund, L.P. The *RSPAC Fund* (and thus Limited Partners of the *RSPAC Fund*, who may be

the Registrant's clients) is responsible for *RSPAC Fund* fees and expenses (such fees and expenses include organizational expenses of the *RSPAC Fund*, custodial fees, interest and other lenders' charges (if any), taxes (other than income taxes, which will be the responsibility of the Limited Partners), brokerage commissions paid in the course of the purchase or sale of securities, legal, accounting, auditing and tax return preparation fee and expenses, auditing, tax return preparation fees, and all other expert and consulting fees and expenses arising in connection with *RSPAC Fund's* business). The General Partner, myCIO Hedge Fund Advisors, LLC, which is fully and solely owned by the Registrant, has an ownership interest in the *RSPAC Fund*.

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

In certain cases, unaffiliated private investment funds recommended by the Registrant may include funds sponsored or advised by AMG Affiliates. None of AMG or any AMG Affiliate has any involvement or influence in the Registrant's selection of unaffiliated private investment funds. As such, AMG's ownership interest in the Registrant does not, in the Registrant's view, present any potential conflict of interest for the Registrant with respect to our clients. **The Registrant's Chief Compliance Officer, James J. Biles, remains available to address any questions concerning the Registrant's selection of unaffiliated private investment funds.**

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

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



## **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent requested by a client, the Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) at the request of the client on a stand-alone separate fee basis. The Registrant's planning and consulting fees are negotiable depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with the Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to the Registrant commencing services. If requested by the client, the Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

## **RETIREMENT PLAN CONSULTING SERVICES**

The client can engage the Registrant to provide retirement plan consulting services on a non-discretionary *fee-only* basis. Under such an engagement, the Registrant assists sponsors of self-directed retirement plans and defined benefit plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. To the extent requested by the plan sponsor, the Registrant may also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a *Retirement Plan Consulting Agreement* between the Registrant and the plan sponsor.

## **TAX PREPARATION SERVICES**

To the extent requested by the client, the Registrant may provide tax preparation services on a stand-alone, separate fee basis.

## **MISCELLANEOUS**

**Limitations of Non-Investment Consulting/Implementation Services.** To the extent requested by the client, the Registrant may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither the Registrant, nor any of its representatives, serves as an attorney or licensed insurance agent, and no portion of the Registrant's services should be construed as legal services or insurance implementation services. Accordingly, the Registrant does not prepare estate planning documents or sell insurance products. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant.

**Non-Discretionary Service Limitations.** Clients that engage Registrant on a non-discretionary investment advisory basis **must be willing to accept** that Registrant cannot affect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Registrant would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, the Registrant will be unable to affect the account transaction(s) (as it would for its discretionary clients) **without first obtaining the client's consent.**

**Sub-Advisory Arrangements.** The Registrant may engage sub-advisors for the purpose of assisting the Registrant with the management of its client accounts. The sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by the Registrant. The sub-advisor shall continue in such capacity until such arrangement is terminated or modified by the Registrant. The Registrant shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services.

In certain cases, the sub-adviser engaged by the Registrant may include AMG Affiliates. Neither AMG nor any AMG Affiliate has any involvement or influence in the Registrant's selection of sub-advisors. As such, AMG's ownership interest in the Registrant does not, in the Registrant's view, present any potential conflict of interest for the Registrant with respect to our clients. **The Registrant's Chief Compliance Officer, James J. Biles, remains available to address any questions concerning the Registrant's sub-advisory arrangements.**

**Independent Managers.** The Registrant may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers ("Independent Manager(s)") in accordance with the client's designated investment objective(s). In such situations, the Independent Manager(s) shall have day-to-day responsibility for the active discretionary management of the allocated assets according to the terms and conditions of a separate agreement executed between the client and the Independent Manager. The Registrant shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which the Registrant shall consider in recommending Independent Manager(s) include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

In certain cases, Independent Managers selected by the Registrant may include AMG Affiliates. Neither AMG nor any AMG Affiliate has any involvement or influence in the Registrant's selection of Independent Managers. As such, AMG's ownership interest in the Registrant does not, in the Registrant's view, present any potential conflict of interest for the Registrant with respect to our clients. **The Registrant's Chief Compliance Officer, James J. Biles, remains available to address any questions concerning the Registrant's selection of Independent Managers.**

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

Registrant's previous recommendations and/or services.

**Use of REITs.** The Registrant may allocate or recommend the allocation of client investment assets to non-traded / non-public Real Estate Investment Trusts ("REITs"), which are subject to risks generally associated with investing in real estate, such as: possible declines in the value of real estate; adverse general and local economic conditions; possible lack of availability of mortgage funds; changes in interest rates; and environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities registration; and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility.

**Use of Mutual Funds.** While the Registrant may recommend allocating investment assets to mutual funds that are not available directly to the public, the Registrant may also recommend that clients allocate investment assets to publicly-available mutual funds that the client could obtain without engaging the Registrant as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publicly-available mutual funds without engaging the Registrant as an investment adviser, the client or prospective client would not receive the benefit of the Registrant's initial and ongoing investment advisory services. Other mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through registered investment advisers. The Registrant may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of the Registrant's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply.

**Retirement Plan Rollovers-No Obligation/Conflict of Interest.** A client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in his/her former employer's plan, if permitted, (ii) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). The Registrant may recommend an investor roll over plan assets to an IRA managed by the Registrant. As a result, the Registrant and its representatives may earn an asset-based fee (**see Note below**). In contrast, a recommendation that a client or prospective client leave his or her plan assets with his/her former employer or roll the assets to a plan sponsored by a new employer may or may not result in compensation to the Registrant, depending on whether the client has engaged the Registrant to monitor and/or manage the account while maintained at his/her employer. The Registrant has an economic incentive to encourage a client to roll plan assets into an IRA that the Registrant will manage **or** to engage the Registrant to monitor and/or manage the account while maintained at the client's employer. There are various factors that the Registrant may consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus the Registrant's, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. **No client is under any obligation to**

**roll over plan assets to an IRA managed by the Registrant or to engage the Registrant to monitor and/or manage the account while maintained at the client's employer.**  
**Please Note:** If the Registrant's engagement will include the management of the client's retirement account per the same fee schedule set forth in Item 5 below, regardless of custodian or the client's decision to process a rollover, the above economic incentive to recommend a rollover is generally not present. **The Registrant's Chief Compliance Officer, James J. Biles, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not provide investment advisory services to wrap fee programs.
- E. As of December 31, 2022, the Registrant had \$478,738,551 in assets under management on a discretionary basis, and \$11,528,642,495 in assets under management on a non-discretionary basis.

## **Item 5 Fees and Compensation**

- A. The client can determine to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a *fee-only* basis.

### **INVESTMENT ADVISORY SERVICES**

If a client determines to engage the Registrant to provide discretionary and/or non-discretionary investment advisory services on a negotiable *fee-only* basis, the Registrant's asset based annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the Registrant's management (generally between negotiable and 1.00%) as follows:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$1,000,000	1.00%
Next \$2,000,000	0.75%
Next \$2,000,000	0.50%
Next \$5,000,000	0.35%
Next \$5,000,000	0.25%
Additional Assets	Negotiable

Alternatively, at a client's request, the Registrant may perform investment management services on a fixed fee basis generally ranging from \$10,000 to \$300,000.

## **PRIVATE FUNDS AND OTHER POOLED VEHICLES**

To the extent that the Registrant invests in private funds or other pooled vehicles sponsored by third parties, clients also typically pay fees to the issuers or sponsors of those funds in accordance with the funds' fee schedules as in effect from time to time. The terms of these funds, including fees and expenses, are described in the funds' offering memoranda. Various aspects of those terms, such as management and incentive fees, withdrawal and redemption conditions, and information rights, may be negotiable and varied in limited circumstances under side letters, depending on the size of the proposed investment, type of investor, and special legal requirements applicable to the proposed investor. In the case of the *affiliated funds* discussed in Item 4.B above, clients also pay fees to the Registrant and to the issuers or sponsors of the underlying investment vehicle. Such fee terms are discussed in detail in Item 4 under each *affiliated fund's* description.

## **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

To the extent specifically requested by a client, the Registrant *may* provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range between \$10,000 and \$300,000 on a fixed fee basis, and between \$100 and \$600 on an hourly rate basis, depending upon the level, complexity, and scope of the service(s) required and the professional(s) rendering the service(s).

## **RETIREMENT PLAN CONSULTING SERVICES**

If a client engages the Registrant to provide retirement plan consulting services on a negotiable fee-only basis, the Registrant's annual advisory fee generally ranges between \$15,000 and \$30,000 on a fixed fee basis, generally based upon the number of investments offered in the retirement plan.

## **TAX PREPARATION SERVICES**

To the extent requested by the client, the Registrant may determine to provide tax preparation services on a stand-alone separate fee basis. Registrant's typical tax preparation fee is negotiable, but generally ranges between \$250 and \$200,000 on a fixed fee basis, depending upon the level, complexity, and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account, or have the Registrant bill them directly through an invoice. If the Registrant is to deduct fees from a client's custodial account, both the Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that Charles Schwab and

Co., Inc. (“Schwab”), or Fidelity Investments (“Fidelity”) serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab and Fidelity charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds; commissions are charged for individual equity and fixed income securities transactions). In addition to the Registrant’s investment management fee and broker-dealers’ brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). In addition, in the case of Sub-Advisory Arrangements and Independent Managers discussed in item 4, clients will incur additional fees pursuant to separate agreements between themselves and these third parties.

- D. The Registrant’s annual advisory fees shall typically be prorated and paid quarterly, in advance. There are limited instances where the client pays in arrears. As applicable, the Registrant’s asset-based annual investment advisory fee shall be based upon the market value of the assets on the last business day of the previous quarter. The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- E. Neither the Registrant nor its representatives accept compensation from the sale of securities or other investment products. As discussed in Item 4.B, the Registrant receives an administrative fee in consideration for managing operations of the *affiliated funds*.

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

### **Performance-Based Fees**

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

### **Side-by-Side Management**

Our investment professionals simultaneously manage multiple accounts according to similar investment objectives. The simultaneous management of these different investment accounts could create certain conflicts of interest, if the fee structures for the management of certain types of accounts were higher than others. As noted above, the Registrant does not charge performance-based fees for any of its accounts; therefore, the inherent incentive to favor performance-based fee accounts over those without such fees does not exist for the Registrant. The Registrant recognizes that it has an affirmative duty to treat all such accounts fairly and equitably over time.

Although the Registrant has a duty to treat all similarly managed accounts fairly and equitably over time, such portfolios will not necessarily be managed the same at all times. Specifically, there is no requirement that the Registrant use the same investment practices consistently across all accounts. In general, investment decisions for each client account will be made independently from those of other client accounts, and will be made with specific reference to the individual needs and objectives of each client account. Although the Registrant manages numerous accounts with similar investment objectives, or may manage accounts with different objectives that trade in the same securities, the portfolio decisions relating to these accounts, and the performance resulting from such decisions, may differ from account to account.

## Item 7           Types of Clients

The Registrant's clients shall generally include individuals, business entities, trusts, estates and charitable organizations, pension and profit-sharing plans. The Registrant generally requires a minimum asset level of \$1,000,000 for investment advisory services. The Registrant, in its sole discretion, may charge a lesser investment management fee and/or waive or reduce its minimum asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

A. The Registrant utilizes the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical - (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

B. Every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer-

term investment strategy.

In addition to the fundamental investment strategies discussed above, the Registrant may also implement and/or recommend – short selling, use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. (See discussion below).

Short selling is an investment strategy with a high level of inherent risk. Short selling, involves the selling of assets that the investor does not own. The investor borrows the assets from a third-party lender (i.e., broker-dealer) with the obligation of buying identical assets at a later date to return to the third-party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by the Registrant in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to the Registrant may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential **conflict of interest** whereby the client's decision to employ margin *may* correspondingly increase the management fee payable to the Registrant. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting/" hedging" a potential market risk in a client's portfolio.

**Please Note:** Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct the Registrant, in writing, not to employ any or all such strategies for his/her/their/its accounts. For detailed information on the use of options and option strategies, please refer to the Option Clearing Corp.'s Option Disclosure Document, which can be found at: <https://www.theocc.com/company-information/documents-and-archives/options-disclosure-document>

Hard copies may be ordered by calling 1-888-678-4667 or writing OCC, 1 North Wacker Drive, Suite 500 Chicago, IL 60606.



- C. Currently, the Registrant primarily allocates client investment assets among mutual funds and/or exchange traded funds, private investment funds, non-traded / non-public REITs, sub- advisors, and Independent Manager(s), and on a limited basis among various individual equity (stocks), debt (bonds) and/or other fixed income securities, on a discretionary and non-discretionary basis in accordance with the client's designated investment objective(s). Please refer to Item 4.B. above with respect to private investment funds, non-traded / non-public REITs, sub- advisors, and Independent Manager(s). Please also see the risks described above in this Item 8.
- D. The success of client account investments will be affected by general economic and market conditions where the Registrant and third-party managers have a lack of control, such as, but not limited to, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barrier, currency fluctuations and controls, national and international political circumstances, and 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 infectious disease, pandemic or any other serious public health concern, war, terrorism, etc.).
- E. The increased use of technologies such as the Internet to conduct business makes the Registrant susceptible to operational, information security and related risks. In addition, certain of Registrant's operations interface will be dependent on systems operated by third parties, including brokers, administrators, market counterparties and other service providers, and the Registrant may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by worms, viruses, network or other cybersecurity intrusions, power failures and human error in connection with managing a Client and its portfolio. Any such defect or failure could have a significant negative impact on a Client. For example, such defects or failures could cause settlement of trades to fail, lead to inaccurate accounting, reporting or processing of trades and/or cause inaccurate reporting, which may affect the Registrant's ability to monitor the risks associated with a Client's investment portfolio. Furthermore, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the Registrant, its affiliates, Clients' service providers, counterparties, or data within these systems. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Registrant's systems to disclose sensitive information in order to gain access to Registrant's data or that of Clients' or the underlying investors. A successful penetration or circumvention of the security of the Registrant's systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause Clients, the Registrant, or their service providers to incur regulatory penalties, reputational damage, additional compliance costs or financial loss. The Registrant and its service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents. Any such plans and systems have inherent limitations including the possibility that certain risks have not been identified. Additionally, substantial costs may be incurred in order to prevent any cyber incidents in the future.
- F. Force Majeure. The Registrant's strategies and investments on behalf of its Clients may be affected by force majeure events (i.e., events beyond Adviser's control, including acts of

God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labor strikes). Some force majeure events could adversely affect the Registrant's ability to perform its obligations until it is able to remedy the force majeure event. In addition, the losses to a Client resulting from such force majeure event could be considerable. 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, or in any of the countries where the Registrant may invest specifically on behalf of its Client. Additionally, a major governmental intervention into industry, including the nationalization of an industry, could result in a loss to a Client. Any one or any combination of the foregoing may therefore adversely affect a Client's investment performance.

- G. Conflict in Ukraine: Russia launched a large-scale invasion of Ukraine on February 24, 2022 and, in response, the United States and other governments have imposed economic sanctions on certain Russian individuals, including Russian government officials and other government-linked individuals, and Russian corporate entities and financial institutions, banned certain Russian financial institutions from global payments systems that facilitate cross-border payments and have taken other economic and political measures. It is possible that such governments could institute broader sanctions or impose other economic and political measures on Russia, which could result in the immediate freeze of Russian securities and/or funds invested in prohibited assets and/or other consequences. The extent and duration of the military action, the possibility of the conflict expanding beyond Ukraine and Russia, and resulting sanctions and other economic and political measures and future market disruptions in the region and worldwide are impossible to predict, but could be significant and have a severe adverse effect on the region and collateral effects globally, including significant negative impacts on the global economy and the markets for certain investments, securities and commodities, such as oil and natural gas, as well as other sectors. Such effects and impacts could have a material adverse effect on a Client's investment portfolio.

## **Item 9           Disciplinary Information**

The Registrant has not been the subject of any disciplinary actions.

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

- A. Neither the Registrant nor its representatives are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. As discussed above, myCIO Hedge Fund Advisors, LLC is an affiliated entity that is wholly-owned by the Registrant. myCIO Hedge Fund Advisors, LLC has registered as a commodity pool operator with the Commodity Futures Trading Commission ("CFTC") and the National Futures Association ("NFA") as a result of its relationship as the General Partner of several of the Registrant's affiliated funds.
- C. **Private Investment Funds.** myCIO Hedge Fund Advisors, LLC, an affiliated entity, serves as the General Partner for several private investment funds: REF Partners, LP, RUS Partners, LP, , BRP II, LP and RSF Partners, LP condensed descriptions each of which are set forth above in Item 4. Registrant's clients are under no obligation to consider or make an investment in a private investment fund(s).

**AMG Affiliates.** As noted in Item 4, AMG holds an equity interest in the Registrant. AMG's equity interest in the Registrant is structured so that the Registrant maintains operational autonomy in managing its business. AMG does not have any role in the day-to-day management of the Registrant. AMG also holds equity interests in certain other investment advisers ("AMG Affiliates"). In certain cases, Independent Managers, sponsors, advisers, or sub-advisors to unaffiliated private investment funds or mutual funds, selected by the Registrant may include AMG Affiliates. Each of the AMG Affiliates, including the Registrant, operates autonomously and independently of AMG and of each other. Neither of AMG nor any AMG Affiliate has any involvement or influence in the Registrant's selection of Independent Managers or unaffiliated private investment funds or mutual funds. As such, AMG's ownership interest in the Registrant does not, in the Registrant's view, present any potential conflict of interest for the Registrant's selection of Independent Managers or unaffiliated private investment funds or mutual funds, or otherwise with respect to our clients. More information regarding AMG, including its public filings and a list of all AMG Affiliates is available to the Registrant's clients upon request. **The Registrant's Chief Compliance Officer, James J. Biles, remains available to address any questions concerning the Registrant's possible selection of unaffiliated private investment funds sponsored or advised by AMG Affiliates, unaffiliated mutual funds sponsored, advised or sub-advised by AMG Affiliates or the selection of AMG Affiliates as Independent Managers.**

- D. The Registrant does not receive, directly or indirectly, compensation from investment advisers that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of the Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request. See Section C below for further description of the Registrant's personal securities investment policy.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

In addition to the Firm's policies to prevent the misuse of material non-public information, all employees of the Registrant are subject to the AMG Insider Trading Policy and Procedures (the "AMG Insider Trading Policy"). The AMG Insider Trading Policy broadly prohibits the use of material, non-public information, and also imposes restrictions on the trading of AMG's stock.

- B. As disclosed above, the Registrant has a financial interest in the *affiliated funds*. The Registrant, on a non-discretionary basis, may recommend that qualified clients consider allocating a portion of their investment assets to the *affiliated funds*. The terms and conditions for participation in the *affiliated funds*, including management and incentive

fees of the underlying funds, administrative fees to the Registrant, conflicts of interest, and risk factors, are set forth in the fund's offering documents. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s). Clients investment allocations, including investments in the *affiliated funds*, are regularly reviewed by representatives of the Registrants together with the client.

**The Registrant's Chief Compliance Officer, James J. Biles, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of his/her current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.

- D. The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of the Registrant's Access Persons.

## **Item 12 Brokerage Practices**

- A. Prior to engaging the Registrant to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with the Registrant setting forth the terms and conditions under which the Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian selected by the client. Factors that the Registrant considers in recommending broker-dealers/custodians to clients include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by the Registrant's clients shall comply with the Registrant's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, the Registrant may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees

charged by the designated broker-dealer/custodian are exclusive of, and in addition to, the Registrant's investment management fee.

1. Research and Additional Benefits

The Registrant does not receive soft dollar benefits or any direct payment from any custodian. However, although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, the Registrant may receive from recommended broker-dealers/custodians (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, consulting services, software and other technology in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist the Registrant in managing and administering client accounts. The benefits received by the Registrant from these broker-dealer/custodians do not depend on the amount of client transactions directed to, or the amount of client assets held at, the broker-dealer/custodians. Registrant's clients do not pay more for investment transactions effected and/or assets maintained at recommended broker-dealers/custodians as a result of this arrangement. There is no corresponding commitment made by the Registrant to recommended broker-dealers/custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Registrant's Chief Compliance Officer, James J. Biles, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. The Registrant does not receive referrals from broker-dealers.
3. While not all investment advisers recommend broker-dealer/custodians to their clients, as noted above, in providing investment management services to its clients, the Registrant may recommend certain broker-dealer custodians, with which the Registrant has a relationship, as the client's broker-dealer/custodian to hold the client's assets as custodian and to effect transactions recommended by the Registrant; however, a client is not obligated to select these broker-dealer/custodians, and may instead choose to select, or continue to use, a different broker-dealer/custodian. Once the client has selected a broker-dealer/custodian, the Registrant will generally place all transactions for the client's account with the broker-dealer/custodian selected by the client. The Registrant is not affiliated with, and receives no compensation from, the broker-dealer custodians it recommends. However, the broker-dealer custodians may provide services of value to the Registrant, as described in Item 12.A above. These benefits do not depend on the amount of client transactions directed to, or the amount of client assets held at, the recommended broker-dealer custodians.

**Please Note:** Where the Registrant effects securities transactions for the client's

accounts through a specific broker-dealer selected by the client, such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance.

**The Registrant's Chief Compliance Officer, James J. Biles, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that the Registrant provides investment management services to its clients, the transactions for each client account generally will be effected independently, through the broker-dealer/custodian preselected by the Client, at the agreed upon transaction cost.

### **Item 13          Review of Accounts**

- A. For those clients to whom the Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written report summarizing account activity and performance. These reports may be prepared on a monthly, quarterly, or ad hoc basis depending on a client's needs.

### **Item 14          Client Referrals and Other Compensation**

As referenced in Item 12.A.1 above, the Registrant may receive indirect economic benefits from recommended broker-dealer/custodians including support services and/or products without cost (and/or at a discount). These benefits do not depend on the amount of client transactions directed to, or the amount of client assets held at, the recommended broker-dealer/custodians. The Registrant's clients do not pay more for investment transactions effected and/or assets maintained with these broker-dealer/custodians as a result of this arrangement. There is no corresponding commitment made by the Registrant to these broker-dealer/custodians or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement. As referenced in Item 4.B above, the Registrant receives an administrative fee related to investments in the *affiliate funds*.

**The Registrant's Chief Compliance Officer, James J. Biles, remains available to**

**address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

## **Item 15      Custody**

The Registrant does not act as a custodian over the assets in client accounts, except as deemed a “custodian” by applicable law, as discussed below. Clients must make arrangements for actual custody of securities in their accounts with a qualified custodian. Such custodians are broker-dealers, banks, trust companies, or other qualified institutions.

**Please Note:** To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian.

The Registrant shall, if elected during client custodian account set-up, have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

**Please Also Note:** The account custodian does not verify the accuracy of the Registrant’s advisory fee calculation.

In limited instances, the Registrant serves as Trustee for certain client accounts. In such instances, we are deemed, under federal securities laws, to have custody of these client assets by virtue of the Registrant’s role as Trustee to these accounts. In such cases, the assets are maintained by independent, unaffiliated qualified custodians. In addition, and as required by applicable law, we have engaged an independent accountant to perform surprise audits of these accounts on an annual basis.

The Registrant is also deemed, under federal securities laws, to have custody of client assets by virtue of its wholly-owned subsidiary’s role as general partner to a private pooled fund. The Registrant does not have actual physical custody of any client assets or securities invested in such fund; rather, all such assets are held in the name of the fund by independent, unaffiliated qualified custodians. Investors receive monthly or quarterly account statements as well as annual audited financial statements from the fund’s administrator. This fund is also subject to a surprise custody exam.

The Registrant is also deemed, under federal securities laws, to have custody of certain client accounts based on the existence of standing letters of authorization (“SLOAs”) authorizing the Registrant to direct client assets from certain accounts to client-approved third parties. In such cases, the assets are maintained by independent, unaffiliated qualified custodians. In lieu of an annual custody examination, the Registrant meets certain prescribed regulatory requirements with respect to such accounts.

**The Registrant’s Chief Compliance Officer, James J. Biles, remains available to address any questions that a client or prospective client may have regarding custody-related issues.**

## **Item 16 Investment Discretion**

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming the Registrant as the client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, **in writing**, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

## **Item 17 Voting Client Securities**

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

## **Item 18 Financial Information**

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

**ANY QUESTIONS: The Registrant's Chief Compliance Officer, James J. Biles, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**