

# DORCHESTER WEALTH MANAGEMENT COMPANY

1100 Rene Levesque Boulevard West, Suite 650, Montreal, QC, Canada, H3B 4N4

T: 514-861-5841 F: 514-875-6779

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

[isabelle.wehrli@dorchesterwealth.com](mailto:isabelle.wehrli@dorchesterwealth.com)

**PERSONALIZED  
PORTFOLIO  
MANAGEMENT**

**BUILDING WEALTH  
FOR OUR CLIENTS  
FOR OVER 90  
YEARS**

This brochure provides information about the qualifications and business practices of Dorchester Wealth Management Company (DORCHESTER). DORCHESTER 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. If you have any questions about the contents of this brochure, please contact us. 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 DORCHESTER is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. The CRD number for DORCHESTER is 221519.

March 20, 2023

## **2. MATERIAL CHANGES**

In this Item 2, Dorchester Wealth Management Company (Dorchester) is required to identify and discuss all material changes since the last annual updating amendment of Form ADV, or to include these changes in a separate document accompanying this Brochure.

In this annual updating amendment, we have made a few stylistic changes and enhancements to our disclosures. Clients are encouraged to read this Brochure in its entirety.

Our Brochure may be requested by contacting Isabelle H. Wehrli, Chief Compliance Officer at 514-861-5841 or by e-mail [isabelle.wehrli@dorchesterwealth.com](mailto:isabelle.wehrli@dorchesterwealth.com). We will provide you with our Brochure, at any time, without charge.

Brochure Date: March 20, 2023

Date of last annual updating amendment to our Brochure: March 25, 2022

Additional information about Dorchester is also available via the SEC's web site  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)



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#### **4. ADVISORY BUSINESS**

##### **History, Principal Owners, Assets under Management**

Dorchester's history dates back to 1928 with the founding of Hodgson Robertson & Company in Montreal, and is one of Canada's longest serving independent investment counselling firms. Until April 1<sup>st</sup>, 2015 the firm operated under the name Dorchester Investment Management, at which point with our partnership with *Focus Financial Partners* the advisory business was rebranded as Dorchester Wealth Management Company (Dorchester). There has been no change to the key personnel responsible for the advisory services and management of Dorchester; however, the successor reflects ownership by Focus Canada Holdings, LLC which is a wholly-owned subsidiary of Focus Operating, LLC.

Dorchester is part of the Focus Financial Partners, LLC ("Focus LLC") partnership. Specifically, Dorchester is a wholly owned subsidiary of Focus Operating, LLC ("Focus Operating"), which is a wholly owned subsidiary of Focus LLC. Focus Financial Partners Inc. ("Focus Inc.") is the sole managing member of Focus LLC and is a public company traded on the NASDAQ Global Select Market. Focus Inc. owns approximately two-thirds of the economic interests in Focus LLC.

Focus Inc. has no single 25% or greater shareholder. Focus Inc. is the managing member of Focus LLC and has 100% of its governance rights. Accordingly, all governance is through the voting rights and Board at Focus Inc.

Focus LLC also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, business managers and other firms (the "Focus Partners"), most of which provide wealth management, benefit consulting and investment consulting services to individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, or investment companies as disclosed on their respective Form ADVs.

Pursuant to a Management Agreement between Dorchester, Focus and DWM Partners Inc. (the "Management Company"), the Management Company has agreed to provide persons to serve as officers of Dorchester, who, in such capacity, will be responsible for the management, supervision and oversight of Dorchester. The primary members of the Management Company include Robert Bard, President and Director; Isabella H. Wehrli, Director, Secretary and Chief Compliance Officer; A. Bruce Gill, Director; Brian T. Howard, Director; David V. Sheridan, Director; Eric Gibouleau, Director.

Dorchester is registered with l'Autorité des marchés financiers du Québec, the Alberta Securities Commission, the Ontario Securities Commission, the British Columbia Securities Commission, the Manitoba Securities Commission, the New Brunswick Securities Commission, the Nova Scotia Securities Commission, and the Securities and Exchange Commission in the United States.

As of December 31, 2021, the combined amount of client investments managed by us on a discretionary basis was just over 1 billion in US dollars.

Dorchester does not act as a broker, custodian, issuer or underwriter of securities. Dorchester's primary objective is to provide customized investment management services to high-net-worth individuals, investment holding companies, trusts, estates and



registered retirement funds in separately managed accounts. Services include investment management, asset allocation, security selection and discretionary trading of equities, fixed income and other instruments and active portfolio management review. Dorchester works with each client to establish an appropriate investment policy based on the client's objectives, circumstances, time horizon and risk tolerance.

### **Tailored Investment Advice**

At Dorchester, we believe that understanding, objectivity and availability are the essential keys to delivering the highest quality personalized service.

Understanding investment objectives and client requirements is perhaps the most important component of personal service within the investment counselling business. We recognize that each client has different investment objectives and requirements based on their own personal attitudes and preferences towards risk, liquidity, tax issues, and performance expectations. We take the time to listen and understand these personal goals and requirements before developing an appropriate investment policy. Clients, at any time, may impose restrictions on investing in certain securities or types of securities.

We offer wealth management and portfolio management services to clients. As an independent investment adviser, Dorchester's reputation has been built on its ability to provide objective investment counsel. A customized portfolio management strategy is developed through an objective and complete understanding of each client's personal goals and requirements. Each client is different and we need to listen intently and objectively to both our clients' needs and wants before we can implement a strategy that suits their personalities and meets their long-term objectives. Among the portfolio management services we offer are an Enhanced Equity Strategy through a sub-advisory arrangement with Quadrant Private Wealth Management, LLC, a Focus partner firm under common control with Dorchester.

Dorchester's partners and portfolio managers take pride in making themselves (the decision makers) available to our clients. Whether it be in a thorough scheduled quarterly review, or a quick phone call to discuss any issue of importance, we are always available to discuss any aspects of the portfolio. We are and throughout our long history have been a client centric firm.

### **Investment Management Services to IRAs**

Dorchester is a fiduciary under the Internal Revenue Code (the "IRC") with respect to investment management services and investment advice provided to IRAs and IRA owners (collectively, "Retirement Account Clients"). As such, Dorchester is subject to specific duties and obligations that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must either avoid or eliminate the conflict or rely upon a prohibited transaction exemption (a "PTE").

A conflict of interest arises and the prohibited transaction rules are implicated when Dorchester recommends that an IRA owner transfer his IRA to an IRA that Dorchester advises because Dorchester will receive compensation that it would not have received



absent the recommendation – i.e., the IRA advisory fee. When Dorchester engages in this transaction, it relies on the PTE known as the Best Interest Contract Exemption or BICE which requires compliance with the “impartial conduct standards.” The impartial conduct standards are designed to mitigate conflicts of interest by requiring that investment advice be in the “best interest” of the Retirement Account Client, that advisers not make any materially misleading statements and not charge a fee that exceeds a reasonable amount. The best interest standard requires that advisers act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use, based on the investment objectives, risk tolerance, financial circumstances and needs of the Retirement Account Client. This mirrors the prudent man standard of conduct and duty of loyalty found in ERISA.

As a fiduciary, we have duties of care and of loyalty to clients and are subject to obligations imposed on us by the federal and state securities laws. As a result, clients have certain rights that clients cannot waive or limit by contract. Nothing in our agreement with clients should be interpreted as a limitation of our obligations under the federal and state securities laws or as a waiver of any unwaivable rights clients possess.

## **5. Fees & Compensation**

### **Investment Management Fees**

Fees charged by Dorchester are outlined in the client’s written Investment Management Agreement. Fees are negotiable and will differ amongst clients based on a number of factors, including, but not limited to portfolio size, amount of assets held in related accounts, and investment policy. Fees are billed quarterly in arrears, based on the market value of assets under management (including cash and equivalent and accrued but unpaid interest). Clients may elect to be invoiced directly or can authorize Dorchester to debit fees directly from their managed account. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Fees vary and are usually at or lower than 1.25%. In certain circumstances, fees may be waived. Once a fee schedule has been signed by a client, it cannot be changed without prior written notice to the client.

Dorchester’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 or brokers such as wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. Mutual funds (that may have been transferred in and maintained within the portfolio) and exchange traded funds also charge internal management fees, which are disclosed in the respective fund’s Trust Agreement. Such charges, fees, and commissions are exclusive of and in addition to Dorchester’s investment management fees. Dorchester does not accept typical mutual fund remuneration such as sales charges (whether front load or DSCs) or trailer fees.

Upon termination of management services, any partial period unbilled will be charged (note: all fees are in arrears rather than in advance).

### **Custodian Fees**

Dorchester does not hold cash or securities on behalf of its clients. Securities and cash are held at a custodial agent, usually a major trust company, bank or broker. Depending on



the client's custodian and its services, a custody fee may be charged by the custodian. Dorchester does not receive any part of the custodian fees.

### **Brokerage & Transaction Costs**

In the course of managing portfolios, Dorchester will place orders to buy and sell securities with investment dealers involving brokerage costs or commissions to the client. In deciding where to place these orders, Dorchester will take into consideration the cost to the client of executing the trade and the broker's ability to execute the trade in a timely manner at the best price. Dorchester is not affiliated with any such investment dealer/broker and all transactions are conducted at arm's length. In connection with client accounts held at custodians, a client may incur custodian fees and/or transaction charges, wire transfer and electronic fund fees plus applicable taxes. Such charges, are exclusive of and in addition to the Dorchester fees and Dorchester will not receive any portion of these costs.

## **6. PERFORMANCE-BASED FEES**

Dorchester 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).

## **7. TYPES OF CLIENTS**

Dorchester provides discretionary portfolio management services to high-net-worth individuals (personal, registered or corporate accounts), Estates, Trusts and non-profit organizations. These accounts are managed as separately managed accounts on a segregated basis.

## **8. METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Dorchester manages portfolios in accordance with the client's investment objectives and risk tolerance outlined in the Investment Management Agreement (IMA). As determined by the IMA Dorchester's client portfolios will have an appropriate mix of cash, fixed income, and equities. Clients understand that investing in securities involves risk of loss that they should be prepared to bear. It is the client's responsibility to promptly instruct Dorchester in writing of any changes or modifications in the client's investment objectives or any material changes in the client's circumstances that might affect the manner in which the account should be managed.



Generally speaking, risks can be classified as market-related or security-specific:

### **Market-related Risks**

- **Market Risk.** Investments are subject to the risk of a general market decline in response to changing conditions in the domestic or global economy. Market fluctuations as a result of macroeconomic and political conditions can be unpredictable and beyond anyone's ability to forecast.
- **Currency Risk.** Portfolios that hold foreign securities will be affected by fluctuations in the currency exchange rates.
- **Interest Rate Risk.** Interest rate changes directly affect the value of fixed-income securities. For example, an increase in interest rates will result in a decline in market value of most bond holdings. A decrease in interest rates will result in a decline in market value of certain preferred shares.
- **Inflation Risk.** Inflation reduces the future purchasing power of funds and the real return on investments.

### **Security-related Risks**

- **Equities versus bonds.** Equity or stock investments generally carry a higher level of risk than bonds because equities rank below bonds in the event of a corporate balance sheet impairment. In addition, dividends, unlike interest payments on bonds, can be cut or eliminated and with equities, unlike bonds, there is no commitment to repay the capital invested.
- **Fixed-income security risk.** This is the risk that the issuer may default and may be unable to make timely principal and interest payments on the security. Short-term Canadian and American government debt is generally considered of the highest quality, with the degree of risk increasing as term is extended or credit quality is reduced.
- **Common stock risk.** The price of a company's stock is influenced by its business potential and level of profitability, the number and calibre of its competitors, the effect of potential or actual regulation on its business operations, and the market's perception of the company's future. The failure of a new product, labour difficulties, high debt levels, and fluctuating foreign exchange rates are but a few of many specific risk factors that may contribute to a particular company's level of business risk.

In managing our clients' portfolios, we adhere to basic principles in a disciplined way.

These basic principles are:

- **Diversification** – We believe in a broad range of diversification. No matter how attractive the prospects are for a given company, a given industry, or a given country, it is difficult to know for sure to what extent the positive outlook is already reflected in current prices. Unforeseen negative surprises can and do occur. The goal is to manage risk and by being diversified we are able to reduce exposure to single stock / industry / country risk.
- **Value** – Our focus is to uncover investment opportunities in great companies at reasonable prices. Great companies at reasonable prices may also mean great companies which are currently out of favor. Uncovering value may not produce immediate positive results, yet through discipline and a long term focus we find ourselves rewarded by investing in great companies. As a result, buying securities





when they are undervalued and, conversely, not jumping on the bandwagon, takes no small amount of patience and discipline.

- **Quality** - The vast majority of our portfolios are comprised of larger capitalization, high quality securities. Strong balance sheet, free cash flow, a track record of paying and growing dividends and corporate management whose interests are aligned with shareholders are all of key importance. We do not speculate, rather we look at ourselves as partners in the companies we invest in. This is true in the equity component and also on the fixed-income side where we do not believe in lowering our quality standards in order to reach for some additional yield. We will, from time to time, take a smaller position in unique opportunities that present themselves that are more junior or speculative in nature where the risk/reward ratio appears especially attractive.

**Simplicity** - We believe in structuring portfolios and buying securities that are not only understandable to us, it is equally important that they are understandable to, and appropriate for, our clients.

## **Equity & Fixed Income Strategy**

### **Equity Strategy**

At Dorchester, we believe in sound fundamental analysis and careful security selection. As proponents of value investing, we see ourselves as students of Benjamin Graham's investment style, a style shared with one of our industry's most successful investors, Warren Buffet.

Through constant screening and analysis, we endeavor to build diversified portfolios of quality, large and mid-cap companies run by capable and motivated management. Our ongoing research effort includes regular communication with senior analysts from within the investment community and in-house meetings with company management.

Portfolios are continually monitored at Dorchester and we tend to take a long-term view, without constraining ourselves should prudence dictate otherwise.

### **Fixed Income Strategy**

The fixed income section of our portfolios is created with security of principal and income as primary considerations. High quality bonds provide diversification, reduce volatility, and generate income. We invest in high-quality short to intermediate term bonds. Our bond holdings are predominantly very marketable and provide flexibility for shifts in policy.

Our individually managed accounts allow us to tailor each account to our client's specific goals and objectives. One of the more important aspects to our management style is our sensitivity to tax issues. Insight into our clients' tax status is an essential component needed to make appropriate fixed income investments and maximize the total portfolio's after-tax return. Where appropriate, we do make use of value-added income vehicles such as convertible debentures and preferred shares.



The firm strives to add value in fixed income portfolio management in a number of ways. First, we consider key macroeconomic and political issues, money flows, currency markets, inflation trends and the factors driving Central Bank policy to assist in drawing conclusions about duration and bond term. Second, we monitor credit spreads across industries, sectors and issuers and control the weights invested in Federal, Provincial, and Corporate debt to take advantage of appropriate yield pick-up complemented by switch opportunities between comparable credits that improve yield. Third, the fixed income market yield curve structures are analyzed in order to identify overdone sentiment swings or variances that provide trading opportunities or assist with improving the timing of buy and sell decisions.

Finally, our equity research and the understanding of the general health of the economy, the relative strength of various sectors and the financial soundness of the specific issuer clearly assist in adding value.

Notwithstanding the experience and care that Dorchester brings to the investment process, it is the nature of the investment business that portfolios will fluctuate in value. Dorchester shall discharge its duties in good faith in what it deems to be in its clients' best interest and shall exercise the degree of care, diligence, and skill that a reasonably prudent person acting in a like capacity and familiar with such matters would exercise in similar circumstances, but client portfolios are exposed to market risk and other risks, and may experience losses.

While Dorchester seeks to manage accounts so that risks are appropriate to the strategy, any investment includes the risk of loss and there can be no guarantee that a particular level of return will be achieved. Clients and other investors should understand that they could lose some or all of their investment and should be prepared to bear the risk of such potential losses. Those risks include:

- Market Risk. No assurance can be given that Dorchester's trading strategies will be profitable or will not incur losses. Securities' prices are volatile and may be subject to wide and sudden fluctuations in market value, with a resulting fluctuation in the amount of profits and losses. The market value of the instruments in a portfolio may go up or down in response to the prospects of individual companies, particular sectors or governments and/or general economic conditions throughout the world due to increasingly interconnected global economies and financial markets.
- Equity Securities Risk. Equity securities are subject to changes in value and their values may be more volatile than other asset classes. The value of equity securities varies in response to many factors. These factors include, without limitation, factors specific to an issuer and the industry in which the issuer securities are subject to stock risk. Historically, global stock markets have experienced periods of substantial price volatility and may do so again in the future.
- Fixed Income Securities Risk. Debt issuers and other counterparties of fixed income securities or instruments may default on their obligation to pay interest, repay principal or make a margin payment, or default on any other obligation. Additionally, the credit quality of securities or instruments may deteriorate (e.g., be downgraded by ratings agencies), which may impair a security's or instrument's liquidity and decrease its value. Additionally, when interest rates increase, fixed income securities or instruments will generally decline in value.



- Liquidity Risk. Canadian clients may hold a portion of their total assets in nonpublic, restricted or illiquid securities which do not have an active secondary market and are not priced with market quotes.
- Risks Associated with Options. The Enhanced Equity Strategy makes significant use of options writing (usually “put” options) for the purpose of generating income. Investors in this strategy should note the risks described below related to writing options.

The writer of a “put” option receives premium payments in exchange for the obligation to purchase stock from the holder of the option at the agreed-upon strike price. The writer of a “call” option receives premium payments in exchange for the obligation to sell stock to the holder of the option at the agreed-upon strike price.

The writer of a put option could potentially incur substantial and immediate losses in the event of significant and sudden declines in the price of the underlying security. If the option is exercised, the writer of the put option is exposed to potential losses of the difference between the strike price of the option and the market price of the underlying security when exercised. Dorchester will generally mitigate this risk by using options strategies where the put is “covered”, meaning that the underlying account has sufficient cash to cover the cost of purchasing the delivered security.

Dorchester may write calls, but only to the extent that an account holds the underlying security. This is referred to as a “covered call” as is generally used to provide a hedge against declines in the price of the security. To the extent that a call is written against a security held in an account, the account will not realize the full benefit of increases in the price of the security.

Moreover, sales of options are potentially subject to the costs and risks of trading on margin, which include the magnification of trading gains and losses and the potential for forced liquidation of a position at fire sale prices in order to meet margin maintenance requirements.

- Cybersecurity. The computer systems, networks and devices used by Dorchester and service providers to us and our clients to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact business operations, potentially resulting in financial losses to a client; impediments to trading; the inability by us and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential



information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

The transmission of COVID and efforts to contain its spread have resulted in border closings and other travel restrictions and disruptions, market volatility, disruptions to business operations, supply chains and customer activity and quarantines. With widespread availability of vaccines, the U.S. Centers for Disease Control and Prevention has revised its guidance, travel restrictions have started to lift, and businesses have reopened. However, the COVID pandemic continues to evolve and the extent to which our investment strategies will be impacted will depend on various factors beyond our control, including the extent and duration of the impact on economies around the world and on the global securities and commodities markets. Volatility in the U.S. and global financial markets caused by the COVID pandemic may continue and could impact our firm's investment strategies.

Although currently there has been no significant impact, the COVID outbreak, and future pandemics, could negatively affect vendors on which our firm and clients rely and could disrupt the ability of such vendors to perform essential tasks.

## **9. DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of Dorchester or the integrity of Dorchester's management. There are no legal or disciplinary measures at Dorchester that are material to clients or prospective clients.

## **10. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Dorchester is an independent investment adviser. The firm does not act as a broker or custodian. This independence enables us to take a completely objective approach to investment opportunities so that all portfolios are professionally managed according to the objectives of the clients.

Focus Canada Holdings, LLC and Focus Operating, LLC

The Registrant is part of the Focus Financial Partners, LLC ("Focus") partnership. As such, Dorchester is a wholly-owned subsidiary of Focus Canada Holdings, LLC, which is a wholly-owned subsidiary of Focus Operating, LLC. Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the "Focus Partners"). The Focus Partners provide wealth management, benefit and investment consulting services, serving individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited



partnerships, private funds, limited liability companies or investment companies as disclosed on their respective Form ADV, Schedule D.

Dorchester has entered into a sub advisory arrangement with Quadrant Private Wealth Management. LLC. ("Quadrant") a Focus partner firm under common control with Dorchester. Through the sub advisory arrangement, Quadrant advises Dorchester in managing an Enhanced Equity Strategy and shares with Quadrant a portion of the fees received from Dorchester clients for such services. Dorchester has an incentive to enter into a sub advisory arrangement with an affiliate, which will contribute to the economic success of Focus LLC, over a sub advisory relationship with an unaffiliated manager. Quadrant has the particular expertise Dorchester seeks and believes that the conflict is mitigated through this disclosure.

#### **11. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Dorchester, its principals, and its employees are bound by the firm's written Code of Ethics and Business Conduct and its Compliance Manual. All principals and employees must acknowledge, on an annual basis, that they have read, understood, and are adhering to the terms and conditions of both documents. Among other things, the code requires Dorchester and its employees to act in clients' best interests, abide by all applicable regulations, avoid insider trading and front-running, and pre-clear and report personal securities transactions. Aspects of these documents which are of particular relevance to clients are the following:

Dorchester will not invest in the securities of any company in which one of the Partnership's principals or employees is an officer or director unless this fact is disclosed to its clients and their prior written consent to the investment is obtained.

It is understood that Dorchester acts as investment manager on behalf of a variety of clients with different investment objectives and that action taken with respect to one or more of its clients may differ from actions taken with respect to the accounts of other clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the principals and employees of Dorchester 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. Principals and employees of Dorchester and members of their families may from time to time, buy, hold, or sell securities in their own accounts which are also being bought, held, or sold in client accounts. However, principals and employees may not participate in partially filled IPOs. From time to time the Firm's personnel participate in private loans alongside clients and on the same terms as clients. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Dorchester and its clients. All trading activity in the accounts of Dorchester's principals, employees, or members of their immediate families must be pre-approved by the firm's Compliance Officer to ensure that the interest of the firm's clients is in no way being compromised.

In the context of having different investment objectives and individual circumstances, clients shall receive fair and reasonable treatment in the placing and allocation of orders, including initial public offerings (IPOs), and in all other aspects of the management of



their accounts. When orders for more than one account are entered as a block transaction and executed at the same price, each client will be given the same execution price and the brokerage commission will be allocated pro-rata. When orders entered as a block trade are executed at varying prices, Dorchester will ensure that a weighted average execution price is calculated. In the case of a particularly illiquid security or heavily oversubscribed IPO where an allocation cannot be made on a board lot basis, a pool of clients for whom the purchase or sale of the security was contemplated will be created and a random selection will be made to ensure that every client, large or small, over time, receives equitable treatment in filling orders.

It is Dorchester's policy not to trade for its own account.

Dorchester's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Chief Compliance Officer.

## **12. BROKERAGE PRACTICES**

In the course of managing portfolios, Dorchester will place orders to buy and sell securities with investment dealers involving brokerage costs or commissions to the client. In deciding where to place these orders, Dorchester will take into consideration the cost to the client of executing the trade and the dealer's ability to execute the trade in a timely manner at the best price. Where a client provides directed brokerage instructions instructing Dorchester to transact with a given broker, doing so may cost the client more in transaction fees than trading with an adviser subject to a best execution obligation.

Dorchester will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients' accounts at one custodian. Block trading may allow Dorchester to execute trades in a more timely and equitable manner. Clients that use a broker as their safekeeping agent will be unable to participate in aggregated orders and will be precluded from receiving the benefits, if any, from an aggregation which other clients may receive. Also, Dorchester will generally execute aggregated order for non-directed clients before executing orders for clients at a broker.

Where block trades occur, all participating clients shall receive an average share price and share equally any trading costs not directly attributable to their account. If an aggregated trade order is partially filled, all participating clients will receive a pro rata share of the fill unless such distribution would result in minimal distributions to clients in which case those clients may be excluded from the allocation. When orders entered as a block trade are executed at varying prices, Dorchester will ensure that a weighted average execution price is calculated. In the event that transactions for employees or principals are aggregated with client transactions, conflicts can arise with partial fills. As such, any block trades including employees or principals, where there is a partial fill, Dorchester's client accounts will be filled first.

Dorchester does not direct client transactions to particular broker-dealers in return for client referrals. Dorchester has soft dollar arrangements where Dorchester trades with broker-dealers resident in Canada in exchange for research. Client securities transactions of U.S. clients do not earn soft dollar credits but they do, like all Dorchester



client accounts who hold the securities that are subject of the research, benefit from the research.

Any trade errors will be rectified to make the client whole as if the error did not occur. Dorchester has the responsibility to effect orders correctly, timely and in the best interest of clients. In the event any error occurs in the handling of client transactions, Dorchester seeks to identify and correct any errors as promptly as possible without disadvantaging the client or benefitting Dorchester in any way.

### **13. REVIEW OF ACCOUNTS**

On a regular and ongoing basis, Dorchester reviews transactions in client accounts.

#### **Communication**

Regular communication between the client and the portfolio manager is essential for fulfilling expectations and for building trusted long-term relationships. The partners and portfolio managers at Dorchester are directly accessible to the clients and meetings to address individual needs occur as often as required.

#### **Reporting**

Clients receive regular statements (monthly or at least quarterly) showing all security positions, cost and market values, expected annual income, portfolio yield, as well as asset mix and foreign content percentages. Individual equity holdings and weightings are categorized by industry group. Clients also receive our Economic and Market Commentary on a quarterly basis.

Clients also receive monthly statements from their qualified custodian, reflecting all securities, cash balances and transactions.

### **14. CLIENT REFERRALS AND OTHER COMPENSATION**

Dorchester does not compensate any person who is not a supervised person for referrals of clients who are U.S. residents. With respect to clients who are resident in Canada, prior to investment with us, clients are informed in writing of the details of any referral arrangement and provide written confirmation.

Dorchester's parent company is Focus Financial Partners, LLC ("Focus"). From time to time, Focus holds partnership meetings and other industry and best-practices conferences, which typically include Dorchester, other Focus firms and external attendees. These meetings are first and foremost intended to provide training or education to personnel of Focus firms, inducing Dorchester. However, the meetings do provide sponsorship opportunities for asset managers, asset custodians, vendors and other third-party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including Dorchester. Although the participation of Focus firm personnel in these meetings is not preconditioned on the achievement of sales target for any conference sponsor, this practice could nonetheless be deemed a conflict as the marketing and education activities conducted, and the access





granted, at such meetings and conferences could cause Dorchester to focus on those conference sponsors in the course of its duties. Focus attempts to mitigate any such conflict by allocating the sponsorship fees only to defraying the cost of the meeting or future meetings and not as revenue for itself or any affiliate, including Dorchester. Conference sponsorship fees are not dependent on assets placed with any specific provider or revenue generated by such asset placements.

The following entities have provided conference sponsorship to Focus from January 1, 2022 to March 1, 2023:

*Orion Advisor Technology, LLC*  
*TriState Capital Bank*  
*StoneCastle Network, LLC*  
*Charles Schwab & Co., Inc.*  
*BlackRock, Inc.*  
*Fidelity Brokerage Services LLC*  
*Fidelity Institutional Asset Management LLC*

A more recently updated list of recent conference sponsors can be found on Focus' website through the following link:

<https://focusfinancialpartners.com/conference-sponsors/>

## **15. CUSTODY**

Clients generally receive monthly statements from the custodian that holds and maintains client's investment assets. Dorchester recommends that clients carefully review such statements and compare the official custodial records to the account statements that is provided by Dorchester. Dorchester's statements may vary from custodial statements based on accounting procedures, reporting dates, exchange rates or valuation methodologies of certain securities.

## **16. INVESTMENT DISCRETION**

Clients sign an Investment Management Agreement whereby they grant Dorchester the discretionary authority to manage their investment portfolio(s). In this regard, Dorchester is authorized to place orders to buy and sell securities and to take any other action deemed fitting for the proper management and administration of the account.

Dorchester will manage the Portfolio in accordance with the client's investment objectives and risk tolerance outlined in the Investment Management Agreement. It shall be the client's sole responsibility to promptly advise Dorchester in writing of any changes or modifications in the client's investment objectives or any material changes in the client's circumstances that might affect the manner in which the account should be managed.

## **17. VOTING CLIENT SECURITIES**





Clients' rights as shareholders fall under the Securities Regulation Policy and Dorchester reserves the right to vote proxies on a roll-up (i.e., block) basis on behalf of its clients as required on routine matters and extraordinary shareholder meetings. The principals at Dorchester will decide on the course of action on a case-by-case basis by following a policy that it deems to be in the best interest of its clients. At the time of opening the account with Dorchester and the custodian, clients have a choice to either accept or reject the receiving of shareholder information and proxies. At any time in their relationship with Dorchester, upon written request to the Chief Compliance Officer, clients may obtain information about how their securities were voted.

Dorchester has not identified any material conflicts of interest in connection with past proxy votes. Such a conflict could exist, if a client is a senior executive with a publicly traded company and other clients hold securities issued by that company.

## **18. FINANCIAL INFORMATION**

Dorchester 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.