

**Item 1 – Cover Page**

# **FOUR POINTS ADVISORS, LLC**

Four Points Advisors, LLC  
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New York, NY 10016  
[www.4pointsadvisors.com](http://www.4pointsadvisors.com)

## **Form ADV Part 2A Brochure**

**December 11, 2023**

This Brochure provides information about the qualifications and business practices of Four Points Advisors, LLC (“Four Points”). If you have any questions about the contents of this Brochure, please contact Gene Murphy at 646-300-6129 and/or by email at [gmurphy@4pointsadvisors.com](mailto:gmurphy@4pointsadvisors.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Four Points is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Four Points Advisors, LLC’s CRD number is 171720.

## **Item 2 – Material Changes**

This brochure (“Brochure”), ADV Part-2A, dated March 31, 2023, is filed as part of the Form ADV Other-Than-Annual-Amendment. Our last annual amendment was dated March 31, 2022.

The summary of material changes reflects the material changes since our last annual filing on March 31, 2023.

We amended Item 14 to disclose referral relationships and description of the compensation as defined under Rule 206(4)-1 under the Investment Advisers Act of 1940.

### Item 3 -Table of Contents

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

#### **Item 4 – Advisory Business**

Four Points Advisors, LLC (“Four Points”) is a Delaware limited liability company that was formed in March 2014, with its principal place of business located at 99 Park Avenue, 6<sup>th</sup> Floor, New York, New York 10016. Mr. Gene R. Murphy is Chief Compliance Officer of Four Points.

Four Points currently offers investment advice, as well as, provides financial planning and consulting services to clients through separately managed accounts (the “Accounts”). Four Points specializes in discretionary portfolio management. Four Points does not limit its investment advice to any particular type of investments and may provide advice on a wide range of investments, including insurance, real estate and securities, which includes, but is not limited to, publicly-traded stocks, mutual funds, ETFs, fixed income securities (such as corporate bonds, treasuries, and other forms of indebtedness), options, and other securities specified in the written managed account agreement between a client and Four Points (the “Managed Account Agreement”). An Account will normally contain a relatively small number of investments and may not constitute a fully diversified or balanced investment portfolio that is suitable for all of a client’s assets. The Account will normally contain publicly traded stocks and a cash position (which may include, but is not limited to, treasuries and money market securities). Four Points generally has discretion to advise clients on any financial position they may hold, to the extent they so request. Financial planning contains a broad range of strategies which seek to meet the particular objectives of each client(s). Such plans are subject to the risk of regulatory changes in addition to risks associated with an Account.

Four Points will tailor each Account to individual client needs by assessing their risk tolerance, liquidity and income needs and constructing an individual investment plan within these parameters. Four Points will outline the primary investment strategy with the client, describing how the strategy will benefit the client given their specific concerns, and explaining how the investment strategy can be altered in the future.

Clients may opt out of a specific investment from their portfolio, require Four Points to obtain authorization prior to a transaction, and set specific cash amounts to be retained in the account. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. However, restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

Four Points will work closely with a client to ensure the client understands each position of the account and how their liquidity needs will be met. Four Points will maintain a close relationship with each client in order to be attentive to alterations in investment risk tolerance and differences in life circumstances.

All investment management activities and recommendations are provided directly by Four Points.

Clients can engage Four Points to provide investment advisory services on a fee-only basis. Advisory fees are payable quarterly, in advance, and are based on a percentage of the market value of assets under management for a particular client as further described in Item 5 – Fees and Compensation.

### ***Financial Planning***

Four Points may provide financial planning and consulting services to clients wishing to establish a comprehensive financial plan. At the current time Four Points does not charge an additional fee for this service but may choose to do so in the future. In that eventuality fees will be determined by the scope and complexity of the agreed upon services and fees will be negotiated and set forth in the Managed Account Agreement with the client.

### ***IRA Rollover Recommendation***

For purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

The Firm permits Employee personal trading, and maintains records as required under the Advisers Act. Our policies seek to prevent Employees from making competing transactions, trading against, or front-running client investments. The Firm may recommend that clients use the execution services offered by Four Points Capital Partners, LLC ("FPCP"), an affiliated broker/dealer registered with the SEC and the Financial Industry Regulatory Authority ("FINRA") where the account may be held or transactions executed. FPCP will usually receive compensation when acting as a broker-dealer

executing transactions for Four Points Advisors accounts.

### ***Wrap Fee Programs***

Four Points does not participate in wrap fee programs.

### ***Assets Under Management***

Four Points has approximately \$30 million in assets under its management as of December 31, 2022. The Accounts will usually be managed on a discretionary basis.

## **Item 5 – Fees and Compensation**

Fees for the Accounts are typically assessed as an annual, fixed management fee equal to a percentage of assets under management for each client. Four Points does not receive performance- or incentive-based compensation from its clients. Four Points' fee schedule as of the date of this Brochure is as follows:

<b>Market Value of Client Assets</b>	<b>Annual Fee (%) of Assets*</b>
\$0 - \$2,000,000	1.75% (Negotiable)
\$2,000,001 - \$5,000,000	1.25% (Negotiable)
Over \$5,000,000	Negotiable

*\*Fees are capped at these percentages. Four Points' fees are negotiable and Four Points may waive, reduce or rebate fees with respect to specific clients in its sole discretion.*

The specific manner in which fees are charged by Four Points is set forth in a client's Managed Account Agreement with Four Points (the "Agreement"). Four Points will generally deduct its fees on a quarterly basis, in advance, usually based upon the value of the Account on the first day of the quarter. Fees are deducted based on the client's authorization to directly debit such fees from such Accounts in accordance with the terms of the Agreement. Management fees are prorated for each capital contribution and withdrawal made during the applicable month. Accounts initiated or terminated during any month will be charged a prorated fee. Upon termination of any Account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

A client will receive refunds of any pre-paid fees if the Agreement is terminated prior to the end of the quarterly billing period. In the event that a client terminates our services, Four Points will refund the unearned portion of its advisory fees to that client. Clients must contact Four Points in writing and state their intent to terminate Four Points' services. Upon receipt of the termination notice, Four Points will proceed to close out the relevant Account and process a pro-rata refund of any unearned advisory fees. Typically, the refund amount will be prorated based on the quarterly fee paid and the number of days remaining in the billing period.

Four Points' fees are separate and distinct from fees and expenses that may be imposed by any broker dealers, including Four Points Capital Partners, LLC ("FPCP"), an affiliated broker/dealer registered with the SEC and the Financial Industry Regulatory Authority ("FINRA") where the account may be held or transactions executed, as well as by other third parties. Such charges may include, but are not limited to, custodial fees, brokerage commissions, transaction fees, markups/markdowns, charges imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the Account which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), fees imposed by variable annuity providers and disclosed in the annuity contract, certain deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions exclusive of brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client.

Such charges, fees and commissions are exclusive of and in addition to Four Points' management fee, and Four Points does not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Four Points considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

#### ***Compensation for the Sale of Securities or Other Investment Products***

Investment advisory representatives (each, an "IAR") who provide investment advice on behalf of Four Points may also be registered representatives of Four Points' affiliated broker-dealer FPCP. However, FPCP will not compensate Four Points or Four Points' IARs for the purchase or sale of any securities or other investment products to Accounts of Four Points. As a result, no conflict of interest exists because there is no pecuniary incentive for an IAR to recommend investment products for any reason other than a client's individual needs and objectives. Four Points may recommend that clients use the execution services offered by FPCP. For the avoidance of doubt, Four Points places client trades with FPCP, which executes such trades on behalf of clients. Trades are cleared and settled by StoneX Group, Inc an unaffiliated clearing broker and a qualified custodian for Four Points Accounts. FPCP does not engage in principal transactions with Four Points Accounts. FPCP will usually receive compensation when acting as a broker-dealer executing transactions for Four Points Accounts.

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

Four Points 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). If Four Points were to ever enter into a performance-based fee arrangement with a client, it will do so subject to negotiation with such client. If Four Points were to charge any performance-based fees to clients, it will adopt procedures that are designed to ensure that all clients are treated fairly and that will aim to prevent conflicts from influencing the allocation of investment opportunities among its clients.

#### **Item 7 – Types of Clients**

Four Points will offer portfolio management services to individuals, business entities, trusts, estates, charitable organizations, pensions and profit-sharing plans. These services are

currently offered to clients solely through the Accounts, although in the future Four Points may also advise one or more privately offered investment funds. If Four Points were to advise one or more privately offered investment funds, it will adopt procedures in accordance with the investment objectives and guidelines set forth in the respective governing documents of such privately offered investment funds.

Four Points generally requires a minimum investment of \$50,000 to open an account, although this minimum may be waived or reduced in Four Points' sole discretion based on individualized negotiations with a client or potential client.

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

Four Points strives to meet client's investment goals by producing investment returns that will meet or exceed major investment indexes by investing client assets in a concentrated, limited number of publicly listed equities. Four Points' portfolio management process takes into account each client's goals, risk tolerance and investment time horizon. In order to facilitate investment decisions, we may obtain information from a variety of sources including, but not limited to: financial publications and media, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, public regulatory filings, and company press releases. Clients who avail themselves of the personal financial planning services of Four Points will also receive a comprehensive financial plan, which also includes advice regarding college planning; estate planning; insurance counseling; and asset protection. **Clients are advised that investing in securities involves risk of loss that they should be prepared to bear.**

We may purchase securities and hold them on a long-term basis (for more than a year). Four Points will only engage in margin activity at the discretion, and with prior consent from each client. Four Points will analyze a security through a fundamental style, including performing analyses on historical and present data, with the goal of making a financial forecast. Four Points primarily employs a long-term equity approach, which is a fundamental strategy. This strategy assumes that a client has a longer-term investment horizon, which requires a longer period for the strategy to develop. In contrast, short-term strategies require a short-term investment horizon and higher frequency trading, with the ability to absorb higher transactional costs. Four Points may also engage in certain hedging transactions on a limited basis as part of an overall risk mitigation approach.

The investment advice provided along with the strategies suggested by Four Points will vary depending on each client's specific financial situation and goals. This brief statement does not disclose all of the risks and other significant aspects of investing in financial markets. In light of the risks, each client should fully understand the nature of the contractual relationship(s) into which they are entering and the extent of their exposure to risk. Certain investing strategies may not be suitable for many members of the public. Each client will be instructed to carefully consider whether the strategies employed will be appropriate for them in light of their respective experience, objectives, financial resources and other relevant circumstances.

Certain risks of our strategy are summarized below. Prospective clients should carefully consider these risks before opening an Account with Four Points and are advised to consult their own legal and tax advisers about these risks.



Margin Risk. Margin trading is borrowing funds from a broker-dealer to purchase securities. Technically, it is a loan that allows the investor to buy more stock than they would normally be able. Margin transactions are mainly used in accordance with short term investments. The longer an investment is held, the greater the return that is needed to break even. There are many requirements and restrictions with margin transactions. Clients should not utilize this strategy without the full understanding of all costs and risks. Market changes can lead to unexpected losses and the cost of borrowing can erode any potential gains.

Overall Investment Risk and Economic and Market Conditions. Securities investing, trading and other investment activities involve a high degree of risk of loss that clients must be prepared to bear. There can be no assurance that any strategy or trade will be profitable or that you will not incur losses. Prior successful investment management performance, recommendations, or analysis by Four Points or any of its principals is not a guarantee of future successful performance. Many unforeseeable events, including actions by various government agencies and domestic and international economic and political developments, may cause sharp market fluctuations that could adversely affect performance. Four Points has no control over these factors.

Long Term Purchases. A long-term purchasing strategy assumes that financial markets and stock prices will continue to rise over the long term, which may not be the case. There is also a risk that the value or price of any particular investment, sector or segment of the market in which an Account invests may go down over time even if financial markets, indexes or other market characteristics as a whole increase. In addition, purchasing investments on a long-term basis may create an opportunity cost by preventing assets from being utilized in other (and better) short-term investment opportunities.

Equity Securities. Equity securities fluctuate in value, often based on factors unrelated to the fundamental economic condition of the issuer of the securities, including general economic and market conditions, and these fluctuations can be pronounced. Securities may be purchased in all available securities trading markets without restriction as to market capitalization, such as those issued by smaller capitalization companies, including micro-cap companies.

Concentration Risk. As a result of size, investment strategy and other considerations, an Account may at times be confined to the securities of a limited number of issuers. Four Points is not subject to limits regarding concentration as to individual securities, industries or types of investments. The result of concentrating investments in this fashion is that a loss in any one

position could materially reduce the value of a client's Account, to the extent not offset by other gains.

*Changes in Regulation.* Legal, tax and regulatory developments may occur from time to time that could have an adverse impact on the performance of an Account. Securities markets are subject to comprehensive statutes, regulations and margin requirements enforced by the SEC, other U.S. and non-U.S. regulators and self-regulatory organizations, and exchanges authorized to take extraordinary actions in the event of market emergencies. The regulatory environment for investment management is evolving, and changes in regulation regarding trading activities, taxation of investment gains and other matters may adversely affect the ability of investors to pursue certain investment strategies, the ability to obtain leverage and financing, and the value of certain investments. The impact of regulations implementing the Dodd-Frank Act and other legislative initiatives on certain trading strategies and operations is impossible to predict and may be adverse.

*Catastrophic and Disruptive Events.* The value of an Account and its investments may be adversely affected by domestic and global developments, including political and economic upheaval, disasters and weather events, regional conflicts, trade disputes and changes in government, economic or monetary policies. New York City, where Four Points maintains its principal place of business, has been affected by a number of disruptive events, including acts of terrorism, severe weather (i.e., hurricanes, floods, blizzards, extreme cold and heat), power and other service outages, fires, explosions, accidents, and labor and transportation strikes. Such events can and have interrupted the markets and could impact Four Points' ability to conduct business despite the implementation of reasonable disaster preparedness and recovery plans, thereby having a potentially negative effect on a client's investments.

## **Item 9 – Disciplinary Information**

There are no legal or disciplinary events that are material to any client's or prospective client's evaluation of Four Points' advisory business or the integrity of its management.

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

Four Points is affiliated with FPCP through the common control and ownership of the two entities by Mr. Gene R. Murphy and Mr. Michael C. Martino. Mr. Martino indirectly owns a percentage of each of Four Points and FPCP through 5M Holdings, LLC. In addition, 5M Holdings, LLC owns Four Points Insurance Agency, LLC ("FPIA") and MHA Financial Corp., ("MHA") a state registered RIA. Currently, there are IAR's of Four Points that are insurance licensed agents of FPIA. At this time, there is no direct involvement with MHA.

FPCP is a registered securities broker-dealer and a member of FINRA and the SIPC. As an introducing broker, FPCP engages in retail securities transactions, offers investment products, retirement and other life- event planning services, credit management, small business financing arrangements and certain other activities normally associated with a broker dealer. Currently, there are IAR's of Four Points that are separately licensed as registered representatives of FPCP. Mr. Martino is a registered representative of FPCP. Neither Four Points, nor its principals or any executive officer is registered or has an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of the foregoing entities.

Four Point's objective is to act in the best interest of its clients and to seek to obtain the best price and execution for its client's securities transactions. While net price is a major consideration in best execution, Four Points will also take into account the quality of brokerage services, confidentiality, financial stability, and responsiveness, among others.

The principals of Four Points will split their time between managing the affairs of Four Points and FPCP. All other employees of Four Points devote substantially all of their time to the business of Four Points.

Neither Four Points, nor its principals, recommends or selects other investment advisers for its clients.

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

Four Points has adopted a written code of ethics (“Code of Ethics” or “Code”) designed to address and avoid potential conflicts of interest and to set forth standards of business conduct and the fiduciary duties of all employees. The Code of Ethics requires that the interests of advisory clients should always be placed first and includes provisions for protecting the confidentiality of client information, prohibiting insider trading, restricting the acceptance of significant gifts and reporting certain gifts and business entertainment items. The Code also includes personal securities trading procedures. All supervised persons at Four Points must acknowledge and certify the terms of the Code of Ethics annually, and as amended.

Currently, there are five employees at Four Points in addition to Mr. Gene Murphy. The Code of Ethics accordingly includes provisions designed to ensure compliance with the securities laws and to address conflicts of interest that are appropriate, practical, and relevant to the operations of the firm.

Four Points’ employees must also avoid any personal interest outside of Four Points which could be placed ahead of their fiduciary obligation to Four Points and to Four Points’ advisory clients. Conflicts may exist even when there is an appearance of a conflict and no wrongdoing. The opportunity to act improperly may be enough to create the appearance of a conflict. Four Points recognizes and respects an employee’s right of privacy concerning personal affairs but requires full and timely disclosure of any situation which could result in a conflict of interest or even the appearance of a conflict. Whether or not a conflict exists will be determined by the Chief Compliance Officer.

Employees of Four Points may also serve as directors of companies whose securities Four Points or Four Points’ supervised persons may purchase or sell on behalf of the Client. Also, by reason of its activities, Four Points will not be free to disclose or act upon such confidential activities where Four Points may acquire confidential information or be restricted from transacting in certain information and as a result may not initiate a transaction in which it otherwise might have engaged. Additionally, Four Points has an insider trading policy that is designed to prevent the misuse of material, non-public information. Employees are required to acknowledge and certify such policy on an annual basis.

Four Points will provide a copy of its Code of Ethics upon request to Mr. Gene R. Murphy, Chief Compliance Officer, at (646) 300-6129.

From time to time Four Points may decide to purchase or sell the same security for several Accounts at approximately the same time. Four Points may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Four Points’ clients differences in prices and commission or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will generally be averaged as to prices and allocated among Four Points’ clients pro rata to the purchase and sale orders placed for each client on any given day. Four Points will not receive any additional compensation or remuneration as a result of the aggregation of client orders.

It is Four Points’ policy not to effect any principal or agency cross securities transactions for client accounts. Four Points will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

Four Points has a fiduciary duty to its advisory clients and will endeavor to seek best execution when placing trades for clients under the circumstances of each particular transaction. In selecting brokers to execute transactions for its clients Four Points will seek the best overall terms available based upon a variety of factors, including the ability to achieve prompt and reliable executions at favorable prices; the operational efficiency with which transactions are effected; the competitiveness of commission rates; the borrowing terms available from the broker; and the financial strength, integrity and stability of the broker; considering these factors Four Points will normally utilize the broker account in which the Account is held. As a result, it may not necessarily obtain the lowest commission but rather will seek the best overall qualitative execution. Four Points will always seek to use brokers who provide the best mix of trade execution and other services such as custody reporting services and customer service, including Four Points affiliated broker-dealer FPCP.

### ***Directed Brokerage***

Clients may direct Four Points to transact business through those brokers the client may select. In those cases, the client may not necessarily receive best execution or the client may receive less favorable prices or may pay higher commission prices because Four Points may not be able to aggregate orders in a directed brokerage account.

Four Points will utilize only qualified custodians for execution services.

### ***Research and Other Soft Dollar Benefits***

Four Points does not use client commissions to obtain research or other products or services from the broker-dealers Four Points utilizes.

### ***Brokerage for Client Referrals***

Four Points may from time to time receive client referrals from its affiliated broker-dealer, FPCP. However, FPCP will not be directed to solicit clients for Four Points. Also, Four Points will not receive any benefits from any broker-dealer, including FPCP, in exchange for client referrals. This mitigates any potential conflict of interest that could arise from the incentive to direct client transactions to any particular broker-dealer in return for client referrals.

### ***Trade Aggregation***

Transactions for each Account generally will be effected independently, unless Four Points decides to purchase or sell the same security for several Accounts at approximately the same time. Four Points may (but is not obligated to) combine or “batch” such orders when seeking to obtain best execution, or to negotiate more favorable commission rates, or to allocate equitably among Four Points’ clients differences in prices and commission or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will generally be averaged as to prices and allocated among Four Points’ clients pro rata to the purchase and sale orders placed for each client on any given day. Four Points will not receive any additional compensation or remuneration as a result of the aggregation of client orders. In situations where Four Points determines that a prorated allocation is not appropriate in a particular circumstance, Four Points will make the allocation decision in a manner that is as fair as possible under the circumstances to all Accounts, taking into account such factors as investment guidelines and limitations, the amount of cash in a particular Account, comparative size of respective allocations among Accounts, and whether random or rotating allocations is the fairest alternative to a pro rata allocation.

## **Item 13 – Review of Accounts**

Four Points reviews the investment strategies and portfolio decisions of the Accounts on a continuous basis. The Accounts are reviewed annually with clients and can be conducted more frequently upon request from the client to the IAR assigned to the Account. In addition, Gene Murphy, as the supervising principal of Four Points, may be involved with or supervise such reviews. There is no particular set of circumstances or factors that triggers a review. Instead, the IAR for an Account maintains daily oversight of the trading and portfolio decisions of the Account and conducts reviews on an ongoing basis.

Reviews may include an Account’s performance in light of identified needs and objectives. Based on the review, Four Points may implement changes to the investments in the Account, to the strategies or objectives employed by the Account or to various weightings of particular securities in the relevant Account’s portfolio.

Clients will generally receive statements directly from their Account custodian(s) on at

least a quarterly basis. Where available, such information may be accessed online. See Item 15 below.

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

Four Points may compensate individuals or entities for the referral of advisory clients to the firm, provided that appropriate disclosures and regulatory requirements are met. Currently, Four Points has one agreement under which a solicitor is to be paid compensation for introducing new clients to Four Points. The compensation to be paid under this agreement was negotiated between Four Points and the solicitor. The compensation arrangement is (i) disclosed to the client at the time of the solicitation or referral and (ii) will be paid out of Four Points general funds and out of the total advisory fees received by Four Points from the solicited client. No solicited client will be charged an additional fee as a result of any referral or solicitor arrangements. Compensation includes quarterly payments based on a negotiated percentage of the investment advisory asset flows from the solicited client.

Certain Four Points employees are eligible to receive incentive compensation for new business introduced to Four Points or the expansion of Four Points services. Incentive compensation is paid by Four Points and is not directly paid by the client.

#### **Item 15 – Custody**

Client assets will be maintained by an unaffiliated, qualified custodian, such as a bank, broker-dealer, mutual fund company or transfer agent. Client assets are not held by Four Points or any affiliate of Four Points. Four Points may be authorized by a client to debit its management fees directly from an Account.

Clients will generally receive statements directly from the qualified custodian(s), bank or broker-dealer holding their Account's assets on at least a quarterly basis. These statements will indicate all amounts disbursed from their Account, including the amount of the management fees paid to Four Points. Four Points urges its clients to carefully review such statements. The custodial statement is the official record of the Account for tax purposes.

#### **Item 16 – Investment Discretion**

Four Points may and usually receives discretionary authority from its clients at the outset of the advisory relationship to select the identity and amount of securities to be bought, sold or otherwise traded in accordance with the investment strategy, risk limits and investment time horizon agreed to in the Agreement. This authority includes a limited power of attorney issued by the client which allows Four Points to trade the assets in an Account without obtaining specific consent for each individual transaction.

When selecting securities and determining amounts, Four Points observes those investment policies, limitations and restrictions, which are agreed to with the clients it advises.

#### **Item 17 – Voting Client Securities**

As a matter of policy and practice, Four Points does not vote proxies on behalf of its clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their Account. Generally, clients will receive proxy materials directly from the custodian. Clients may contact Four Points at the phone number on the cover page with any questions about a particular proxy vote solicitation.

#### **Item 18 – Financial Information**

Four Points does not require or solicit prepayment of fees by clients six or more month in advance and is therefore not required to include a balance sheet for its most recent fiscal year, and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.