

## **Item 1 Cover Page**

Proxy International  
405 Lexington Avenue  
New York, NY 10174

October 31, 2023

**This brochure provides information about the qualifications and business practices of Proxy International. If you have any questions about the contents of this brochure, please contact us at 646-328-9856. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration as a registered investment advisor does not imply a certain level of skill or training.**

**Additional information about Proxy International also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

October 31, 2023 – Item 10 was amended to disclose insurance licensing of investment advisor representatives.

The material changes discussed above are only those changes that have been made to this brochure since the firm's initial registration on May 9, 2023.

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

Proxy International is an investment advisor firm formed in November 2022 and is registered with the SEC since May 2023.

The principal owner of Proxy International is Proxy Financial Corp, which is half owned by each of Christopher Davidson and Bryan Caulkins.

Proxy International's ("Advisor") principal service is providing fee-based investment advisory services and financial planning services. The Advisor practices custom management of portfolios, on a discretionary basis, according to the client's objectives. The Advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor may use exchange listed securities, corporate debt securities, municipal securities, mutual funds, United States government securities, and options on securities to accomplish this objective. The Advisor measures and selects mutual funds by using various criteria, such as the fund manager's tenure, and/or overall career performance. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.

#### Qualified Retirement Plan Services

Proxy International may provide services as follows for qualified retirement plans:

#### Fiduciary Services

The Advisor will perform the following Fiduciary Services:

- (i) Provide non-discretionary investment advice (ERISA Section 3(21) fiduciary investment services) to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client shall have the final decision-making authority regarding the initial selection, retention, removal and addition of investment options.
- (ii) Assist the Client with the selection of a broad range of investment options consistent with ERISA section 404(c) and the regulations thereunder.
- (iii) Assist the Client in the development of an investment policy statement (IPS). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- (iv) Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance

to the guidelines set forth in the IPS and make recommendations to maintain or remove and replace investment options.

- (v) Meet with Client on a periodic basis to discuss the reports and the investment recommendations.
- (vi) Provide discretionary and non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative (“QDIA”) for participants who are automatically enrolled in the Plan or who otherwise fail to make an investment election. The Client retains the sole responsibility to provide all notices to participants required under ERISA section 404(c)(5).

#### Non-Fiduciary Services

The Advisor will perform the following Non-Fiduciary services:

- (i) Assist in the education of the participants in the Plan about general investment principles and the investment alternatives available under the Plan. Client understands that Advisor’s assistance in participant investment education shall be consistent with and within the scope of section (d) (i.e., the definition of investment education) of Department of Labor Interpretive Bulletin 96-1. As such, the Advisor is not providing fiduciary advice (as defined in ERISA) to the participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- (ii) Assist in the group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.

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

The Advisor's roles and actions in fulfilling all responsibilities pertaining to the qualified plan consulting services shall not include those of the Plan's Trustee and will be performed solely at the direction of the Plan Sponsor, its authorized officers, employees and/or agents. At no time will the Advisor accept, maintain possession of, or have custodial responsibility for the Plan's assets. The Advisor will not conduct or effect the purchase or sale of any assets of the Plan on behalf of the Plan Sponsor or Plan Participants. The Advisor will not advise, in any manner, any Participant, person or entity related to the Plan other than the Plan Sponsor, except where the Participant is an advisory client of Summit under a separate advisory agreement. Communicational and educational activities in which the Advisor engages related to Participants in the Plan shall be solely at the direction of the Plan Sponsor and shall not be represented by the Advisor or Plan Sponsor as investment, tax or legal advice. The Advisor is not licensed to provide, shall not provide, nor be construed to provide, the services of an attorney or accountant.

#### Financial Planning

In addition to investment supervisory services, Proxy International may provide financial planning services to some of its clients. As each client’s needs are different, the amount and type of

Financial Planning Services will vary client to client. At a base level, the services may include purely recommendations for asset allocation and portfolio customization based on factors such as the client's investment objectives, goals, risk tolerance and financial situation. More complex financial planning services may also include recommendations relating to investment strategies, cash flow and budgeting plans, tax planning, wealth transfer strategies, family business and generational wealth transfer strategies and other advice addressing the needs of the client. As noted in Item 5 below, financial planning clients will have the option to pay for these services on an hourly basis for one-time services or occasional updates, or on a fixed fee basis that will be determined based on the estimated relative level of effort for financial planning assistance and updates.

Proxy International will tailor its advisory services to its client's individual needs based on meetings and conversations with the client. If clients wish to impose certain restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client's requirements.

As described in Item 5 below, Proxy International offers two fee options to its client. Certain clients will be charged a "wrap fee" which is a management fee that is inclusive of both the compensation to Proxy International for advisory services as well as the securities execution fees charged by the executing broker-dealer (except for short-term trading or redemption fees). Other clients will pay a management fee to Proxy International for the advisory services, and separately pay the custodial and securities execution fees directly to the custodian and executing broker-dealer from their brokerage account. The specific client circumstances will be defined in the agreement between the client and Proxy International. Those clients choosing the inclusive management fee alternative will be provided with a copy of the Proxy International Wrap Program Brochure.

A wrap fee program is defined as one where a fee is charged to the account that is not based directly on transactions in the account, and includes both the investment advisory services and the costs of executing the transactions in the account. Proxy International offers both the wrap fee and separate pricing options to clients as a convenience. Proxy International provides its services to all clients in the same way, as described throughout this brochure, no matter which pricing option is chosen. Since Proxy International does not include access to third-party asset managers in the wrap fee arrangement, Proxy International retains the entire fee charged to the client. Management fees for the wrap fee pricing option are typically slightly higher than management fees where the client pays securities transaction costs separately to compensate for the estimated costs of trading in the account. However, the fee will never exceed the maximum fee described in Item 5, and all Proxy International management fees are negotiable and agreed with the client prior to establishing the account.

As of August 31, 2023, Proxy International had \$26,400,000 in non-discretionary client assets under management.

## **Item 5 Fees and Compensation**

### Investment Management Fees

Pursuant to an Investment Advisory contract signed by each client, the client will pay Proxy International an annual management fee, payable quarterly in arrears, based on the value of portfolio assets of the account on the last business day of the quarter. The management fee may be adjusted to account for significant contributions or withdrawals made to the account during the quarter. New account fees will be prorated from the inception of the account to the end of the first quarter.

Management fees range up to 1.50% per annum depending on the type and complexity of the investment management strategy employed as well as the size of the account or overall client relationship. These fees may be negotiated by Proxy International at its sole discretion. Asset management fees will be directly deducted from the client account by the qualified custodian. The client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian. The custodian will send a statement at least quarterly to the client. Where it is not practical to deduct fees directly from client accounts, client will be sent an invoice at the end of each quarter. The invoice is payable upon receipt.

### Fixed Fees

Proxy International will charge a fixed fee for financial planning and consulting services of up to \$50,000 depending on the services to be provided, as contracted for with client in advance. Fixed fees may be negotiated at the discretion of the Advisor. Fixed fee-based clients are billed either in advance, on delivery of the financial planning or consulting services, or through periodic payments throughout the term of the engagement as agreed with the client.

For each of the Advisor's services described above, the Client may terminate these services within five business days of the effective date of an Agreement signed with the Advisor without any payment of the Advisor's fee.

### Fees for Qualified Retirement Plans

Plan Sponsor will pay the Advisor, as compensation for its services, a consulting fee at an annual rate of up to 1.50% of assets in the Plan, depending on the scope of the services provided to the Plan. The consulting fee is payable quarterly, in arrears, based on the fair market value of assets in the Plan at the end of each quarter. The consulting fee in the first quarter of the Agreement shall be prorated from the inception date to the end of the quarter. The Advisor shall invoice the Plan Sponsor for the consulting fee. The Plan Sponsor may, at its election, submit invoices for this consulting fee to the custodian of the Plan's assets for payment. The Plan Sponsor agrees to payment of these invoices, whether directly from the Plan Sponsor or from the Plan's custodian, promptly, and, under normal circumstances, by the end of the month in which the invoice is submitted. The fee is negotiable.

All fees paid to Proxy International for investment advisory services are separate and distinct from the expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses.

At no time will Proxy International accept or maintain custody of a client's funds or securities except for authorized fee deduction. The Advisor treats the custodial and securities execution fees charged by the custodian and executing broker-dealer in one of two ways. Either the client is responsible for all costs and will pay them directly out of the account, or the Advisor's management fee will include all such costs and they will be paid by the Advisor. Therefore, in the former method, the client will pay the management fee solely for advisory services, and will also directly pay any transaction costs assessed by the executing broker-dealer or custodian, such as commissions and transaction fees. The latter method is typically characterized as a "wrap fee", where the management fee includes the investment advisory services as well as all transaction costs and the client pays only that management fee and no other transaction-based costs concerning the trading and maintaining of the account. There may be other costs (such as wire transfer fees, medallion signature guaranty fees, etc.) that will be charged by the broker-dealer or custodian outside of the wrap fee. Generally, clients in the wrap fee accounts, with the transaction and custody costs included, will pay a higher management fee than those where those costs are not included in the fee. The specific arrangement for each client will be negotiated and defined in the investment advisory contract signed by each client.

Neither Proxy International nor its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

Proxy International does not charge performance-based fees.

#### **Item 7 Types of Clients**

The Advisor will offer its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

The Advisor does not have any minimum requirements for opening or maintaining an account.

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

The Advisor utilizes fundamental analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of businesses involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk.



The investment strategies the Advisor will implement may include long-term purchases of securities held at least for one year, short-term purchases for securities sold within a year, and margin transactions.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every saving and investment product have different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be. The primary risks faced by investors include:

#### Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

### Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

### Inflation Risk

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

### Interest Rate Risk

Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

### Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

The Advisor does not primarily recommend a particular type of security. However, clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

## **Item 9 Disciplinary Information**

Neither Proxy International nor its management persons have any legal or disciplinary events requiring disclosure.

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

Neither Proxy International nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither Proxy International nor any of its management persons are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Proxy International does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund), futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

Proxy International is owned by Proxy Financial Corp which also owns two other investment advisors, Proxy Freedom LLC (CRD# 324749), and Proxy Wealth Advisors LLC (CRD# 298080). Each of the affiliated entities were formed to serve different client audiences. Clients of Proxy International will not be clients of the affiliated advisors. Oleg Zviagin, CCO and Investment Advisor Representative of Proxy International is also the CCO and an Investment Advisor Representative of Proxy Wealth Advisors and spends approximately half of his time on that activity.

Supervised persons of Proxy International are also licensed and registered as insurance agents to sell life, accident and other lines of insurance for various insurance companies. Therefore, they will be able to purchase insurance products for any client in need of such services and will receive separate, yet typical compensation in the form of commissions for the purchase of insurance products. This creates a conflict of interest because of the receipt of additional compensation by the firm and its supervised persons. Clients are not obligated to use Proxy International or its personnel for insurance products services. However, in such instances, there is no advisory fee associated with these insurance products.

Proxy International does not recommend or select other investment advisors for clients.

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

Proxy International is registered with the SEC and maintains a Code of Ethics pursuant to SEC rule 204A-1. Proxy International has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the adviser. In addition, the Code of Ethics governs personal trading by each employee of Proxy International deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Proxy International are conducted in a manner that avoids any conflict of interest between such persons and clients of the adviser or its affiliates. Proxy International collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Proxy International will provide a copy of the Code of Ethics to any client or prospective client upon request.

Proxy International does not recommend to clients, or buy or sell for client accounts, securities in which the firm or a related person has a material financial interest.

Proxy International and/or its investment advisor representatives may from time to time purchase or sell products that they may recommend to clients. This practice creates conflicts of interest in that personnel of Proxy International can take advantage of the advance knowledge of firm securities trading and trade their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of the securities owned by the Investment Advisor Representatives. To mitigate these conflicts, Proxy International has adopted a Code of Ethics as noted above. Proxy International's Code of Ethics is available upon request. Finally, supervised persons of registered investment advisors are fiduciaries by law and are required to put the client's interest before those of the firm and themselves.

Proxy International requires that its investment advisor representatives follow its basic policies and ethical standards as set forth in its Code of Ethics.

Investment Advisor Representatives of Proxy International may trade for their own accounts securities that are being traded for client accounts at or about the same time. To mitigate the conflict of interest in such circumstances, Proxy International's policy is to require the trading of all relevant client accounts prior to the trading of their own accounts. The Chief Compliance Officer examines personal trading activities of Proxy International's personnel to verify compliance with this policy.

## **Item 12 Brokerage Practices**

If requested by the client, Proxy International may suggest brokers or dealers to be used based on execution and custodial services offered, cost, quality of service and industry reputation. Proxy International will consider factors such as commission price, speed and quality of execution, client management tools, and convenience of access for both the Advisor and client in making its suggestion.

Proxy International may receive proprietary research services or other products as a result of recommending a particular broker which may result in the client paying higher commissions than those obtainable through other brokers. If Proxy International does receive such products or services, it will follow procedures which ensure compliance with Section 28(e) of the Securities Exchange Act of 1934 or applicable state securities rules.

The firm seeks to obtain the most favorable net results for clients' price, execution quality, services and commissions. Although the firm seeks competitive commission rates, it may pay commissions on behalf of clients which may be higher than those available from other brokers in order to receive other services. The firm may enter into such transactions so long as it determines in good faith that the amount of commission paid was reasonable in relation to the value of the brokerage and research services provided by the broker. The services that may be considered in this determination of reasonableness may include (1) advice, either directly or through publications or writing, as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities; (2) analysis and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts; or (3) effecting securities transactions and performing functions incidental thereto. Such research furnished by broker-dealers may be used to service any or all of

Proxy International's clients and may be used in connection with accounts other than those that pay commissions to the broker-dealers providing the research. In particular, third-party research provided by broker-dealers may be used to benefit all of the firm's clients. This creates a conflict of interest in that the firm has an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the clients' interest in receiving most favorable execution.

Benefits received may be used as soft dollars provided that:

- ☐ The service is primarily for the benefit of Proxy International's clients
- ☐ The commission rates are competitive with rates charged by comparable broker-dealers; and
- ☐ Proxy International does not guarantee a minimum amount of commissions to any broker-dealer.

Proxy International does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients

Proxy International recommends that all clients use a particular broker-dealer for execution and/or custodial services. The broker-dealer is recommended based on criteria such as, but not limited to, reasonableness of commissions charged to the client, tools and services made available to the client and the Advisor, and convenience of access to the account trading and reporting. The client will provide authority to Proxy International to direct all transactions through that broker-dealer in the investment advisory agreement.

As an investment advisory firm, Proxy International has a fiduciary duty to seek best execution for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. Proxy International's primary objectives when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Proxy International may not necessarily pay the lowest commission or commission equivalent as specific transactions may involve specialized services on the part of the broker.

Proxy International does not permit clients to direct brokerage.

Proxy International may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Proxy International's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed

accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Proxy International may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

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

The firm reviews client accounts on an annual basis, or when conditions would warrant a review based on market conditions or changes in client circumstances. Triggering factors may include Proxy International becoming aware of a change in client's investment objectives, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline. Client accounts are reviewed by Oleg Zviagin, CCO.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from mutual funds, asset managers, trust companies or other custodians, broker-dealers and others who are involved with client accounts. Proxy International does not deliver separate client reports.

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

Proxy International is not compensated by anyone for providing investment advice or other advisory services except as previously disclosed in this Brochure.

Proxy International does not directly or indirectly compensate any person who is not a supervised person for client referrals.

### **Item 15 Custody**

Proxy International does not have custody of client funds or securities, except for the withdrawal of advisory fees directly from client accounts (please see Item 5 which describes the safeguards around direct fee deduction). However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully. Any discrepancies should be immediately brought to the firm's attention.

## **Item 16 Investment Discretion**

Proxy International generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Proxy International.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Proxy International will be in accordance with each client's investment objectives and goals.

## **Item 17 Voting Client Securities**

Proxy International will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Proxy International cannot give any advice or take any action with respect to the voting of these proxies. The client and Proxy International agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.

## **Item 18 Financial Information**

Proxy International does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and is not required to file a balance sheet.

Proxy International has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Proxy International does become aware of any such financial condition, this Brochure will be updated and clients will be notified.

Proxy International has never been subject to a bankruptcy petition.