Compliance Policies and Procedures Manual

Sandlapper Wealth Management, LLC

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CONFIDENTIAL

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DEFINITIONS

Access Persons- Supervised persons who (1) have access to non-public information regarding any client's purchase or sale of securities or non-public information regarding the portfolio holdings of any reportable fund or (2) who are involved in making securities recommendations to clients or who have access to such recommendations that are non-public. When the primary business of an investment adviser involves providing investment advice, the officers and directors of the firm are presumed to be access persons.

Advertisement- Material published or designed for use in newspaper, magazine or any other periodical, radio, television, telephone or tape recording, videotape display, signs or billboards, motion pictures, telephone directories, electronic or other public media. This also includes letterhead and business cards. This material is distributed to the public in which there is NO audience control.

Agency Cross Transaction- An agency cross transaction occurs when the firm arranges a transaction between different clients or between a brokerage customer and an advisory client.

Brochure Supplement- The document, Form ADV Part 2B, provided to clients that describes the educational background, business experience, and any disciplinary history of the specific individuals who provide advisory services to the client.

Chief Compliance Officer (CCO)- Pursuant to Rule 206(4)-7 of the *Investment Advisers Act of 1940*, the individual responsible for administering the investment adviser's policies and procedures. This individual must be a supervised person who is competent and knowledgeable regarding the *Investment Advisers Act of 1940* and who is empowered with full responsibility and authority to develop and enforce appropriate policies and procedures for the investment adviser. Thus, the compliance officer should have a position of sufficient seniority and authority within the organization to compel others to adhere to the compliance policies and procedures.

Client- Pursuant to Rule 203(b)(3)-1 under the *Investment Advisers Act of 1940*, generally, the following are deemed a single client:

1. A natural person and:
    a. Any minor child of the natural person
    b. Any relative, spouse or relative of the spouse of the natural person who has the same principal residence
    c. All accounts of which the natural person and/or the persons referred to in this definition are the only primary beneficiaries; and
    d. All trusts of which the natural person or the persons referred to in this definition are the only primary beneficiaries
2. (a) A corporation, general partnership, limited partnership, limited liability company, trust (other than referenced above) or other legal organization

that receives advice based on its objectives rather than the individual objectives of its shareholders, partners, limited partners, members or beneficiaries; and

(b) Two or more legal organizations referred to in 2(a) that have identical owners.

Complaint- Any written or verbal statement of a client or any person acting on behalf of a client alleging a grievance involving the activities of those persons under the control of the investment adviser in connection with, but not necessarily limited to, the solicitation or execution of any transaction, the disposition of securities or funds of that client or any advisory services provided by the investment adviser.

Correspondence- Any communication by letter or electronic mail sent to or received from a client or potential client. Correspondence is designed for one individual to address specific issues for that client or potential client. Correspondence includes performance reports and quarterly client position reports.

Cross Trading- A cross trade occurs when an adviser effects transactions between two of its managed accounts or funds. (For example, Client A needs to buy the same security that Client B needs to sell. Adviser instructs the account custodian to purchase the securities from Client A's account directly from Client B's account.)

Custody- Holding, directly or indirectly, client funds or securities or having any authority to obtain possession of them.

De Minimis Exemption-A provision in state regulations allowing an investment adviser to provide advisory services to clients in a state without registering in that state as long as certain conditions are met. Most states follow the guidelines established by NSMIA (the National Securities Markets Improvement Act) and do not require registration if the investment adviser does not have a place of business located within the state and during the preceding 12-month period, has had fewer than 6 clients who are residents of that state.

Disclosure Brochure-The disclosure document provided to clients and prospective clients pursuant Rule 204-3 under the *Investment Advisers Act of 1940*, commonly referred to as the "brochure rule." The Form ADV Part 2A (or, when applicable, Form ADV Part 2A Appendix 1Wrap Fee Brochure) serves as an investment adviser's disclosure brochure.

Discretionary Account- An account in which the investment adviser is able to make decisions without the need to consult others. In a discretionary account the investment adviser has been granted authority to act according to the investment adviser's own judgment in making investment decisions on behalf of the client without receiving prior authorization for each investment transaction. Such authority must be granted in writing. Discretionary authorization must be specifically granted to the investment adviser and may be grated in the advisory agreement or by a separate limited power of attorney.

Fiduciary- Any person entrusted with the property of another party and in whose best interests the fiduciary is expected to act when holding, investing or otherwise using that party's property. By definition, regulators deem investment advisers to be fiduciaries.

Fiduciary Duty- The legal duty of a fiduciary to act in the best interests of the beneficiary. Fiduciary Duty also refers to the highest degree of trust, responsibility, and objectiveness required of anyone acting as a fiduciary.

Investment Adviser- Any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing or selling securities or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities.

Investment Adviser Public Disclosure (IAPD)- (http://www.adviserinfo.sec.gov/) This is the website maintained by the U.S. Securities and Exchange Commission (SEC) on which any person can search for an investment adviser firm. IAPD draws upon the information that is maintained in the IARD system (see definition below) and allows on-line viewing of Form ADV information for each investment adviser. The Form ADV contains information about an investment adviser. Form ADV information that is available for viewing via IAPD includes information on the adviser's ownership, registration status, amount of assets under management, and its business operations. Additionally, information is available about certain disciplinary events involving the investment adviser firm and its key personnel. On the IAPD website, you can also search for an individual investment adviser representative and view that individual's professional background and conduct including current registrations, employment history, and disclosures about certain disciplinary events involving the individual. The information about investment adviser representatives that appears on the IAPD is collected from individual investment adviser representatives, investment adviser firm(s), and/or securities regulator(s) as part of the securities industry's registration and licensing process.

Investment Adviser Registration Depository (IARD)- A computerized database established and maintained by FINRA for registering investment adviser firms and maintaining information relating to them.

Investment Adviser Representative- Any individual who makes recommendations or otherwise renders advice regarding securities, who manages accounts or portfolios of clients, who determines which recommendation or advice regarding securities should be given, who solicits, offers or negotiates for the sale of or sells investment advisory services or supervises employees who perform any of the foregoing on behalf of a registered investment adviser.

Investment Supervisory Services- Defined under the *Investment Advisers Act of 1940* as giving continuous advice as to the investment of funds on the basis of the individual needs of the client.

Material Information- Information that in reasonable and objective consideration might affect the value of the corporation's stock or securities, would clearly affect investment judgment or which bears on the intrinsic value of the corporation's stock. For example, in determining materiality, you may consider whether a potential investor would consider the information important and whether the information would substantially affect the market price of the security if the information were public.

Non-public information- Information that has not yet been effectively communicated to the general public. Information communicated through any form of publication that could be circulated to the general public would not be considered non-public information. In determining whether information is non-public, you should consider to whom the information has been provided and whether the information has been communicated to the market place by being published in a publication such as The Wall Street Journal, brokerage reports, the internet or other publications of general circulation.

Non-Solicited- A securities transaction is non-solicited when a client contacts the investment adviser with instructions regarding the specific security to be purchased (i.e., buy IBM, buy Putnam New Opportunities, sell Franklin Age, etc.). A non-solicited transaction may also be referred to as a client-directed transaction.

Notice Filed- Formal submission by SEC registered investment advisers to and receipt of formal approval from a state regulator to engage in advisory activities in that state.

Outside Business Activity- Employment for compensation outside the scope of the relationship of the investment adviser, which compensation is derived from activity other than a passive investment.

Performance Based Fees- An advisory fee based on a share of capital gains or capital appreciation of client assets.

Principal Transaction- A principal transaction occurs when an adviser buys or sells securities with advisory clients from its own account or inventory and at its own risk, as opposed to brokering trades through other firms.

Private Securities Transaction- Any securities transaction outside the regular course or scope of a supervised person's employment with a member.

Soft Dollar Practices- Arrangements under which products or services other than execution of securities transactions are obtained by an adviser from or through a broker/dealer in exchange for the direction of client brokerage transactions to the broker/dealer.

Solicited- A securities transaction where the investment adviser representative makes a specific investment recommendation to the client. A securities transaction is solicited

regardless of whether or not the client contacted the representative regarding the concept of investing.

Supervised Person- Any partner, officer, director (or other person occupying a similar status or performing similar functions), employee of an investment adviser or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

Trading Authorization- Trading authorization without discretionary authorization is only authorization for the investment adviser to facilitate securities transactions in the client's account on the client's behalf. Unless an investment adviser is granted discretionary authorization, the investment adviser must obtain the client's prior authorization for any securities transaction.

INTRODUCTION

According to Rule 206(4)-7 ("Rule 206(4)-7") of the *Investment Advisers Act of 1940 ("Advisers Act")*, all investment advisers must adopt and implement written policies and procedures that are reasonably designed to prevent and detect the adviser and its personnel from violating the *Advisers Act*.

Sandlapper Wealth Management, LLC ("SWM" or the "firm") has developed this manual to provide its (1) partners, officers, directors (or any other person occupying a similar status or performing similar functions), (2) employees and (3) others who provide investment advice on behalf of SWM and are, therefore, subject to the supervision and control of SWM (from this point forward collectively referred to as "supervised persons") with an awareness of the requirements, laws, rules and regulations that govern SWM.

This manual has been developed to ensure that all supervised persons are aware of, understand and will conduct business in accordance with the policies and procedures designated within this manual. The information in this manual is intended to be a guide to the applicable laws, rules and regulations governing SWM and its supervised persons. Policies and procedures outlined in this manual have been adopted to encourage compliance with SWM's governing laws, rules and regulations. All supervised persons are required to be familiar with and follow the policies and procedures contained in this document. Supervised persons should not assume that this manual is all inclusive of the laws, rules and regulations that govern the activities of SWM.

The following supervised persons are responsible for general supervision of Sandlapper Wealth Management, LLC and its supervised persons:

- Mark Reinstein - President
- Bjorn Jordan – CCO (Chief Compliance Officer)

Bjorn Jordan, as SWM's Chief Compliance Officer ("CCO)", is in a position of sufficient seniority and authority to compel others to follow these policies and procedures. As CCO, he is empowered with the full responsibility and authority to develop and enforce SWM's policies and procedures. He will perform an annual review of SWM's compliance program and its supervisory policies and procedures and will prepare an annual report documenting the strengths, weaknesses, areas of improvement needed, deficiencies found and any corrective actions or improvements that will be implemented.

The CCO will be responsible for reviewing and updating this manual as necessary to make sure that it is consistent with all current state and federal laws, rules and regulations and its related policies and procedures. A current copy of this manual will be maintained in SWM's main office and all branch offices. It will be distributed to all supervised persons.

All supervised persons are expected to be familiar with the policies and procedures set forth in this manual. Supervised persons will be required to read this manual and sign an acknowledgement upon employment with SWM. Supervised persons will be required to read this manual and sign an acknowledgement on an annual basis that he or she has received, read, understands and agrees to comply with the policies and procedures contained in this manual. Supervised persons are encouraged to raise questions, concerns or comments related to the policies and procedures set forth in this manual. Questions, concerns and comments should be directed to the CCO.

In addition to the policies and procedures outlined in this manual, supervised persons of SWM may also be required to follow the policies and procedures of SANDLAPPER Securities, LLC, a registered broker-dealer, member FINRA/SIPC. Supervised persons of SWM may also be registered representatives of SANDLAPPER Securities and therefore SWM office locations are also registered branch office locations of SANDLAPPER Securities, LLC. Because supervised persons of SWM are also registered representatives, SANDLAPPER Securities has an ongoing responsibility to supervise and approve the advisory services provided by the supervised persons of SWM.

Supervised persons of SWM will be required to read, become familiar with, and acknowledge their understanding of SANDLAPPER Securities' compliance policies and procedures. It is the policy of SWM to ensure its policies and procedures do not conflict with the policies and procedures of SANDLAPPER Securities and that all advisory services and programs offered by SWM are fully disclosed to SANDLAPPER Securities.

The CCO will be responsible for conducting training to new and existing supervised persons on current policies and procedures as well as conducting training on any updates or revisions to the existing policies and procedures. From time to time, SWM may hire outside compliance consultants to assist in providing training. Any violation to these policies and procedures may result in disciplinary actions including, but not limited to, a verbal warning, fines, suspension or termination of employment. Disciplinary actions will be determined by the CCO depending on the severity of the violations.

This manual is the property of SWM. Anyone receiving a copy of this manual is required to immediately return it upon terminating his or her association with the firm. The information contained in this manual is confidential and may not be shared or otherwise distributed to any person not associated with SWM without the CCO's prior consent.

This manual has not been approved by the Securities and Exchange Commission ("SEC") or any state securities authority.

RISK INVENTORY

As part of an effective compliance program, the SEC suggests investment advisers conduct certain risk assessments. According to the SEC:

> *The compliance policies and procedures should address the practices and risks present at each adviser. No one standard set of policies and procedures will address the requirements established by the Compliance Rule for all advisers because each adviser is different, has different business relationships and affiliations, and, therefore, has different conflicts of interest. Because the facts and circumstances (i.e., risks) that can give rise to violations of the Advisers Act are unique for each adviser, each adviser should identify its unique set of risks, both as the starting point for developing its compliance policies and procedures and as part of its periodic assessment of the continued effectiveness of these policies and procedures. This process of assessing factors that may cause violations of the Advisers Act is often called a "Risk Assessment," a "Gap Analysis," or the compilation of a "Risk Inventory."*
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> *Whatever an adviser may call its process for identifying its unique set of compliance risks, it is important that this analysis be conducted while initially establishing compliance policies and procedures and periodically thereafter to make sure that the policies and procedures are sufficiently comprehensive and robust to address all areas in which an adviser is at risk of violating the Advisers Act.*

The following chart contains a list of those areas that SWM has identified as having risk, i.e. arrangements and circumstances that can give rise to violating the *Advisers Act*. The chart also states if procedures have been documented within the SWM compliance manual to control for each risk.

Area of Risk	**Written Policy: Yes or No**	**Comments (if applicable)**
Improper registration of firm and adviser representatives	Yes	SWM is registered with the SEC and has notice filed in several states. There is the potential for SWM to exceed a state's de minimis exemption and fail to notice file.
Inaccurate disclosures in Form ADV	Yes	The Form ADV serves as the firm's disclosure brochure and must disclose all material arrangements, conflicts of interests,

		services, fees, etc. This document can be seen as an insurance tool if completed properly and is provided to all clients.
Trading procedures	Yes	SWM maintains discretionary trading over some client accounts. SWM employs an active trading process. Areas of risk include untimely trades, trade errors, proper allocation and aggregation of trades, consistency and fairness among clients, and maintenance of proper books and records.
Ability to seek best execution	Yes	SWM primarily requires clients establish accounts through TD Ameritrade Institutional or Charles Schwab. SWM must perform due diligence on recommended broker/dealers which must include analysis of the firm's execution capabilities.
Deduction of Advisory Fees	Yes	SWM is given access to client acounts to deduct its advisory fee. This could result in the misappro-priation of client funds.
Use of affiliated solicitors as referral sources	Yes	There is the potential of entering into arrangements with affiliated solicitors that don't meet the requirements under Rule 206(4)-3.
Providing Investment Advice	Yes	Investment advice may be inaccurate or unsuitable.
Ensuring client objectives are correct and current	Yes	Unsuitable investments and poor documentation of client mandates presents risk at a compliance and civil action level.

Establishing new client arrangements: opening new accounts	Yes	SWM handles a large amount of client documents. There is the potential to mix-up accounts.
Acceptance of client funds and checks	Yes	Any time checks are received by SWM on behalf of the client, there is the potential for misappropriation. There is the potential for SWM to accept securities from a client thus violating the SEC's custody rule.
Acting as a trustee for SWM clients	Yes	Serving as trustee involves a higher duty to the client and invokes additional regulatory requirements including those outlined in the SEC's custody rule.
Potential for unlicensed employees to give investment advice	Yes	There is a risk that an unlicensed person could provide advice and face regulatory and civil action.
Advertising	Yes	Advertising is inherently risky due to the fact that the SEC heavily scrutinizes all advertising to determine if it is misleading.
Performance Reports	Yes	Any time performance is communicated to clients, the SEC is automatically suspicious of the accuracy of the performance calculations and the disclosures and disclaimers used.
Review of Outside Business Activities	Yes	Is OBA information reported and documented by the firm? Do employees engage in outside activities that pose a conflict to the firm or its clients?

Code of Ethics, Insider Trading, Personal Securities Trading	Yes	Is the firm in compliance with all regulations? Does the firm document its compliance?
Personal Securities Transactions	Yes	Are PST procedures reasonably designed based on the services provided by SWM?
Form U4 Documents	Yes	Are Form U4 amendments filed in a timely manner?
Handling of client private information	Yes	Investment advisers are subject to strict client privacy regulations. SWM needs to implement procedures designed to limit and protect client information.
Adviser representatives located off-site	Yes	SWM currently has off-site adviser representatives. The decision to allow off-site adviser representatives creates inherent risk because it is more difficult to supervise the activities performed off-site.
Ability to transfer funds between client accounts and ability to remit client funds out of client accounts	Yes	There is the risk that SWM misappropriates client funds and securities when using these authorizations.
Written correspondence with clients	Yes	Potential for adviser representatives to misstate or mislead clients when corresponding in writing.
Market Risk		Market risk is the risk of loss for a portfolio and its subcomponents based on market conditions.
Credit Risk		Credit risk results from SWM's dealings with third parties, including the settlement of securities and derivatives transactions, repurchase agreements, collateral arrangements, and

		margin accounts among other dealings. SWM can assess its credit risk through monitoring of concentrations of credit risk with particular counterparties, including how the funds managed by the firm would suffer if the counterparty were to default.
Liquidity Risk		Investment strategies that include illiquid investments, degrees of leverage and which are subject to other risks including market risk and credit risk are subject to liquidity risk. SWM may face liquidity risk when the portfolio suffers an unanticipated loss, when positions must be liquidated in a manner inconsistent with the customary investment strategy, when market conditions adversely and unexpectedly impact the portfolio and other such circumstances.
Operational Risk		SWM faces operational risk on a day-to-day through human error on the part of its employees (data entry error, fraud, reconciliation errors, among other things), through its system (technical failures, systematic errors in valuation or risk measure-ments models, others) and through the activities of third parties that provide services to the firm.

REGISTRATION

FIRM REGISTRATION

The *Advisers Act* requires certain investment advisers to register with the SEC. According to Section 202(a)(11) of the *Advisers Act*, an investment adviser is defined as:

> "…any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or who for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities."

Effective July 8, 1997, the responsibility for regulation of investment advisers was divided between the SEC and the state regulators. According to the *National Securities Markets Improvement Act of 1996 ("NSMIA")* and revisions made to the *Advisers Act*, investment advisers with assets under management of less than $100 million are supervised and regulated by the individual states. Investment advisers with assets under management greater than $100 million are supervised and regulated by the SEC. SWM is registered according to these requirements with the SEC. Registration does not imply that the firm SWM possesses any level of skill or training. The CCO is responsible for making sure that the firm is properly registered according to all rules and regulations at all times.

Investment advisers are required to register and maintain registration through the Investment Adviser Registration Depository ("IARD"). SWM will prepare, complete and file its Form ADV Part 1A through the IARD. The Form ADV Part 2A will be prepared in narrative format and must be uploaded to regulators via the IARD system using a text-searchable Adobe Portable Document Format ("PDF"). Finally, a Part 2B Brochure Supplement must be prepared for any supervised person who formulates investment advice for a client and has direct client contact and for any supervised person who has discretionary authority over a client's assets, even if that supervised person has no direct client contact. Investment advisers registered with various states are not required to file the 2B Brochure Supplements for supervised persons through the IARD but are required to maintain copies of all Brochure Supplements and amendments to Brochure Supplements in the investment adviser's files. The Part 2B Brochure Supplement must be provided to clients. Please refer to the section of this Manual, "Client Documents and Disclosures" for a more complete description of the delivery requirements for the ADV Part 2 disclosure documents (Parts 2A, 2A Appendix 1, and 2B).

The CCO will ensure the information on the Form ADV is accurate and current. The CCO will file a copy of the Form ADV Part 2A with the proper regulatory authorities as required and when necessary. The Form ADV will be updated, at

least annually (within 90 days of the firm's fiscal year end) with current information. Any time information contained within the Form ADV becomes materially inaccurate, SWM will promptly (within 30 days) file an amendment. A file containing a complete and current Form ADV Part 2A and Part 2B Brochure Supplement(s) will be maintained as part of SWM's books and records. Separate files containing all previous amendments to the Form ADV will also be maintained. All amendments filed through the IARD are maintained in the Historical Filing section of the IARD and can be electronically retrieved.

NOTICE FILING

Many states require investment advisers that are registered with the state to notice file in the state when the adviser will conduct business or hold itself out as an investment advisor. The CCO will be responsible for ensuring that SWM is properly notice filed in any required state(s) unless the firm qualifies for an exemption for notice filing in the state. Notice filings will be renewed on an annual basis.

REPRESENTATIVE LICENSING

The *Advisers Act* and amendments under *NSMIA* require that investment adviser representatives of SWM license directly with the states. The SEC does not license investment adviser representatives but has delegated the licensing and supervision of investment adviser representatives to the states. The SEC has provided guidance regarding what will require an investment adviser representative to license in a state. According to Rule 203A(b)(1)(A) of the *Advisers Act*, states may only require investment adviser representative licensing for those individuals with an office location within the state. However, not all states (e.g., Texas) follow this rule. Therefore, The CCO will ensure investment adviser representatives are properly licensed or exempt from the licensing requirements in each state an investment adviser representative transacts business.

The SEC has provided a definition of investment adviser representative under Rule 203A of the *Advisers Act*.

> (a)(1) "Investment adviser representative" of an investment adviser means a supervised person of the investment adviser:
> (i) Who has more than five clients who are natural persons (other than excepted persons described in paragraph (a)(3)(i) of this section); and
> (ii) More than ten percent of whose clients are natural persons (other than excepted persons described in paragraph (a)(3)(i) of this section).

(2) Notwithstanding paragraph (a)(1) of this section, a supervised person is not an investment adviser representative if the supervised person:
   (i) Does not on a regular basis solicit, meet with, or otherwise communicate with clients of the investment adviser; or
   (ii) Provides only impersonal investment advice.

(3) For purposes of this section:
   (i) "Excepted person" means a natural person who is a qualified client as described in Rule 205-3(d)(1). [A qualified client will generally include any client that maintains $1,000,000 under SWM's management or a client that SWM reasonably believes has a net worth of at least $2,000,000, excluding the value of the client's primary residence.]
   (ii) "Impersonal investment advice" means investment advisory services provided by means of written material or oral statements that do not purport to meet the objectives or needs of specific individuals or accounts.

(4) Supervised persons may rely on the definition of "client" in Rule 203(b)(3)–1, without giving regard to paragraph (b)(6) of that section, to identify clients for purposes of paragraph (a)(1) of this section, except that supervised persons need not count clients that are not residents of the United States."

Individuals applying for registration as an investment adviser representative in a state must generally obtain a passing score on one of the following:

- The Uniform Investment Adviser Law Examination (Series 65 examination); or
- The General Securities Representative Examination (Series 7 examination) and the Uniform Combined State Law Examination (Series 66 examination).

Depending on the supervised person's business background and experience, a state may grant a waiver or exemption to the required examination qualifications. Typically, the examination requirements do not apply to an individual who currently holds one of the following professional designations:

- CERTIFIED FINANCIAL PLANNER™ practitioner (CFP® practitioner) awarded by the Certified Financial Planner Board of Standards, Inc.;

- Chartered Financial Consultant (ChFC) awarded by the American College, Bryn Mawr, Pennsylvania;
- Personal Financial Specialist (PFS) awarded by the American Institute of Certified Public Accountants;
- Chartered Financial Analyst (CFA) awarded by the Institute of Chartered Financial Analysts; or
- Chartered Investment Counselor (CIC) awarded by the Investment Counsel Association of America, Inc.

Upon completion of a professional designation, a supervised person must notify the CCO. Prior to advertising any professional designation to the public (business cards, websites, letterhead, etc.), the CCO will determine the adequacy of the professional designation and provide written approval for use. This rule is not limited to the professional designations listed above but includes all designations held out to the public.

The CCO will ensure investment adviser representatives of SWM have attained the proper qualifications, when required, and are properly licensed with their home state and any other applicable states when required. SWM will maintain a licensing file for each investment adviser representative. At a minimum, the licensing file will include the following documents:

1. An investment adviser representative's originally executed Form U4.

2. Proof of registration as printed from the IARD system for any state(s) in which the investment adviser representative conducts business.

3. If the investment adviser representative is relying on completion of a professional designation as the qualifying basis for registration as an investment adviser representative, the licensing file will maintain documentation and proof of completion of the professional designation.

FIDUCIARY DUTY

Under the *Advisers Act*, an investment adviser has a fiduciary duty to its advisory clients. Section 206 of the *Advisers Act* states that it is unlawful for an investment adviser, using the mails or any means or instrumentality of interstate commerce:

1. To employ any device, scheme or artifice to defraud a client or prospective client;

2. To engage in any transaction, practice or course of business which defrauds or deceives a client or prospective client;

3. To knowingly sell any security to or purchase any security from a client when acting as a principal for his or her own account, or knowingly to effect a purchase or sale of a security for a client's account when also acting as a broker for the person on the other side of the transaction, without disclosing to the client in writing before the completion of the transaction the capacity in which the adviser is acting and obtaining the client's consent to the transaction; and

4. To engage in fraudulent deceptive or manipulative practices.

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts. An investment adviser has a duty of utmost good faith to act solely in the best interest of each of its clients. SWM and its supervised persons have a fiduciary duty to all advisory clients. As fiduciaries, it is unlawful for SWM and its supervised persons to engage in fraudulent, deceptive or manipulative activities. SWM and its supervised persons will act in each client's best interests at all times and will not at any time place their interests ahead of any client's interest. This fiduciary duty is considered the core underlying principle for the firm's Code of Ethics and personal trading policy and represents the expected basis for all supervised persons' dealings with clients of SWM.

Fiduciary duties include the following:

1. Having a reasonable, independent basis for investment advice.
2. Providing only investment advice that is suitable to each individual client's needs, goals and objectives, and personal circumstances.
3. Exercising reasonable care to avoid misleading clients.
4. Being loyal to the client and acting in good faith.
5. Obtaining best execution when implementing the client's transactions where the investment adviser representative has the ability to direct brokerage transactions for the client.
6. Making full and fair disclosure to the client of all material facts and when a conflict of interest or potential conflict of interest exists.
7. Placing the interests of clients first.
8. Treating all clients fairly.

9. Maintaining the confidentiality of client information.

As an investment adviser, SWM and all supervised persons will make full and fair disclosure to clients when a conflict of interest exists. Disclosures will be provided in SWM's Form ADV. The Form ADV has been prepared to meet regulatory requirements and to fully inform clients of any situation that may represent a potential conflict of interest. Investment adviser representatives are required to provide all clients with SWM's Form ADV Part 2A and the Part 2B Brochure Supplement(s) prior to advisory services being provided or at the time of contracting for services with SWM.

All client records and financial information will be treated with the highest level of confidentiality. SWM and its supervised persons will not under any circumstances disclose confidential information to any third party that has not been granted a right by the client to receive such information. SWM will provide all clients a copy of its written Privacy Notice.

CODE OF ETHICS

According to Rule 204A-1 of the *Advisers Act,* investment advisers must establish, maintain and enforce a Code of Ethics. An adviser's Code of Ethics must establish and describe a standard of business conduct that the adviser requires of all its supervised persons. While Rule 204A-1 does not require an adviser to adopt a particular standard, the Code of Ethics must reflect the adviser's fiduciary obligations and those of its supervised persons, and must require compliance with federal securities laws. SWM has established this Code of Ethics which will apply to all supervised persons of SWM. Persons associated in any manner with SWM will be considered supervised persons for the purpose of this Code of Ethics. This Code will be available and distributed to all supervised persons of SWM. A summary of this Code of Ethics will be disclosed in SWM's Form ADV along with a statement informing clients that they may request an entire copy of the Code of Ethics. If a client makes a request for a copy of this Code of Ethics, The CCO will provide a copy to the client within ten business days of receiving the request.

An investment adviser is considered a fiduciary under the *Advisers Act*. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts. In addition, an investment adviser has a duty of utmost good faith to act solely in the best interests of each client. SWM and its supervised persons have a fiduciary duty to all clients. As fiduciaries, it is unlawful for SWM and its supervised persons to engage in fraudulent, deceptive, or manipulative activities. SWM and its supervised persons will act in each client's best interests at all times and will not at any time place their interests ahead of any client's interests. This fiduciary duty is considered the core underlying principle for SWM's Code of Ethics and personal trading policy and represents the expected basis for all supervised persons' dealings with clients of SWM.

The anti-fraud provisions of the *Advisers Act* and federal and state rules and regulations make it unlawful for an investment adviser to directly or indirectly "employ any device, scheme or artifice to defraud a client or a prospective client" or to "engage in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client." SWM requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all applicable federal and state securities laws at all times. The CCO will be responsible for setting standards and internal policies and procedures to ensure that SWM and its supervised persons conduct business with the highest level of ethical standards. He will be responsible for establishing procedures to prevent and detect any violations of firm or regulatory rules and regulations. In addition, he will be responsible for establishing and enforcing risk management policies and procedures that are designed to ensure that advisory activities are conducted in accordance with this Code.

The CCO will be responsible for making sure that all advisory personnel fully understand SWM's policies and procedures and that a review system is established to make sure that these policies and procedures are effective and adhered to by all advisory personnel. All supervised persons will receive a copy of SWM's Code of Ethics. The CCO will make

sure that all supervised persons receive a copy of, understand and agree to comply with SWM's Code of Ethics. All supervised persons will sign a written acknowledgement that they have read, understand and agree to comply with SWM's Code of Ethics upon initial employment. Additionally, all supervised persons will be required to review this Code of Ethics on an annual basis and will be required to sign an annual acknowledgment.

SWM has the responsibility to make sure that the interests of clients are placed ahead of its or any supervised person's own investment interest. All of SWM's supervised persons will conduct business in an honest, ethical, and fair manner. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. A conflict of interest occurs when a supervised person's private interest interferes with the interests of or the service to SWM or any of its clients. SWM has the responsibility to avoid all circumstances that might negatively affect or appear to affect its duty of complete loyalty to its clients. No one supervised by SWM will engage in any conduct or act, directly, indirectly or through any other person that would be unlawful for such person to do under the provisions of any rules and regulations. If a supervised person is unsure whether a situation would be considered a conflict of interest, the supervised person should consult with The CCO before taking an action that may result in a conflict of interest.

SWM will:

1. Maintain and amend as needed internal standards, policies, procedures, and controls to promote compliance with this Code and with other policies and procedures designed to promote each supervised persons fiduciary responsibility.
2. Perform periodic internal and external reviews and audits of the company's standards, policies, procedures, and controls as needed.
3. Provide ongoing training regarding this Code of Ethics and the company's risk management policies and procedures to all supervised persons as needed.
4. Provide an environment that encourages supervised persons to engage in safe and confidential discussions and disclosures to the CCO or other appropriate senior management persons regarding any violations or potential violations to this Code.
5. Establish clear lines of accountability for the company's internal policies and procedures, including provisions relating to the responsibilities of employees, officers and directors with appropriate oversight by The CCO or designated parties.

Any person engaging in an unethical business practice is subject to having his/her license denied, suspended, or revoked and employment terminated. The following activities are examples of unethical business practices:

- Forgery
- Embezzlement
- Theft

- Exploitation
- Non-disclosure
- Incomplete disclosure or misstatement of material facts
- Manipulative or deceptive practices
- Aiding or abetting any unethical practices

SWM and its supervised persons will not engage in any dishonest or unethical conduct including, but not limited to:

1. Engaging in any act, practice, or course of business that is fraudulent, deceptive, or manipulative contrary to any rules or regulations established by all governing regulatory bodies.

2. Recommending to a client the purchase, sale, or exchange of any security without reasonable grounds for believing that the recommendation is suitable for the client based on the information furnished by the client after reasonable inquiry regarding the client's investment objectives, financial situation and needs, and other information that is known by the investment adviser.

3. Recommending unregistered, non-exempt securities or the use of an unlicensed broker/dealer.

4. Using discretionary authority when placing any trade for the purchase or sale of a security on behalf of the client without obtaining written authority from the client prior to a trade being implemented. If discretionary authority relates only to the price at which or the time when an order involving a definite amount of a specific security will be executed, then written authority is not needed.

5. Recommending or implementing trades in a client's account that are excessive in size or frequency with respect to the client's financial resources, investment objectives, and the character of the account.

6. Placing an order to purchase or sell a security on behalf of a client upon receiving instructions to do so through a third party, unless a written third-party trading authorization has been previously obtained from the client.

7. Borrowing money or securities from or loaning money or securities to a client.

8. Misrepresenting the qualifications of SWM, its investment adviser representatives or any of its supervised persons, the nature of the advisory services offered by SWM or the fees to be charged to any advisory client.

9. Failing to disclose to all clients the availability of any fee discounts.

10. Omitting from any written or verbal communication a material fact that would make statements regarding qualifications, services, or fees misleading.

11. Providing advice and guaranteeing the client that a gain or no loss will occur as a result of the advice.

12. Providing reports or recommendations to any advisory client prepared by someone other than SWM without disclosing that fact to clients. This does not apply to situations where SWM uses published research reports or statistical analyses when providing services to clients.

13. Charging fees that are unreasonable relative to the types of services provided, the experience and knowledge of the investment adviser representative providing the services, and the sophistication of the client. In addition, disclosure that similar services may be available for lower fees from other advisers must be made to all clients.

14. Failing to disclose material conflicts of interest in relation to the adviser or any of its supervised persons in writing prior to providing services if such information could reasonably cause the advice to be biased and not objective. Some examples include the following:

    a. Existing compensation arrangements connected with advisory services provided to clients that are in addition to compensation received from clients for the advisory services.

    b. Acting in the capacity as an investment adviser or investment adviser representative and a registered representative or insurance agent on a transaction where a fee can be charged for advisory services and a commission can be charged for implementing a trade as a result of the advice provided.

15. Publishing, circulating, or distributing any advertisement that has not been approved and that does not comply with the proper regulatory requirements.

16. Limiting a client's options with regard to the pursuit of a civil case or arbitration.

17. Disclosing any confidential information of any client, unless required by law to do so or having received written authorization from the client to do so.

18. Failing to provide the proper disclosure documents (Form ADV Part 2A and Part 2B) prior to or at the time of executing a client agreement for advisory services.

19. Entering into, extending, or renewing an agreement for advisory services unless such agreement is in writing.

20. Using contracts that seek to limit or avoid an adviser's liability under the law.

21. Creating any condition, stipulation, or provision as part of any advisory client agreement that limits or attempts to limit the liability of SWM or any of its supervised persons for willful misconduct or gross negligence.

INSIDER TRADING

Improper use of inside information when conducting any securities transaction is a serious violation of securities laws and will not be tolerated. Any person having access to material, non-public information will violate anti-fraud provisions of the federal securities laws by effecting transactions or communicating such information for the purpose of effecting transactions in such securities without public disclosure of the information. Supervised persons will not purchase or sell a security, either personally or on behalf of others, while in the possession of material, non-public information. Supervised persons are also forbidden to communicate material, non-public information to others in violation of the law. This policy applies to all supervised persons and extends to activities within and outside of their duties with SWM.

The CCO will be responsible for establishing, implementing, monitoring and enforcing all of SWM's policies and procedures regarding insider trading. If any supervised person is unsure whether information could violate SWM's policies and procedures on insider trading or has questions on any aspect of SWM's policies and procedures on insider trading, questions should be directed to The CCO prior to implementing any trades. The prohibition on the use of inside information extends to family members, associates and acquaintances of the person coming into possession of such information.

Any time a supervised person suspects that a client or another supervised person is trading based on inside information or determines that they have received material, non-public information, it must be reported to the CCO immediately. Persons having knowledge of the material, non-public information will not place any securities transactions in securities relating to such information for any account. In addition, no recommendations will be made in relation to any securities affected by the information. Information will be communicated only to the CCO who will then determine the appropriate course of action to take. He will communicate the appropriate course of action to the supervised person(s) having knowledge of the information. He will confidentially document SWM's actions in addressing the material inside information.

The CCO is responsible for supervising all supervised persons conducting advisory business and is responsible for restricting, as much as possible, the number of supervised persons having access to any inside information. Only those supervised persons with a need to know such information for the purpose of

their job performance will have such information disclosed to them. If such information must be disclosed to a supervised person, the CCO will document the following:

- The name of each supervised person to whom the information was communicated to
- The supervised person's position within the company
- The name of the security affected
- The name of the person requesting communication of the information
- The reason for the communication
- The nature of the communication
- The date of the communication

The CCO is responsible for establishing procedures, reviewing procedures, updating procedures and ensuring that all supervised persons are continuously aware of and understand procedures regarding insider trading policies and procedures. SWM's policies will be reviewed on a regular basis and updated as necessary. Any questions in relation to SWM's policies on inside information should be directed to the CCO. All supervised persons will be required to review SWM's written Compliance and Supervisory Procedures Manual at least annually. Supervised persons will then sign an acknowledgement indicating that they are aware of, understand and agree to comply with SWM's policies and procedures at all times. Since SWM's insider trading policies and procedures are included in this manual, supervised persons are acknowledging that they are aware of, understand and will comply with SWM's insider trading policies and procedures at all times. If SWM is aware of any securities that it is restricting from trading, The CCO will maintain a list of these securities. This list will be kept current at all times and will be provided to all supervised persons on a regular basis.

The CCO will perform the following procedures no less than quarterly for the purpose of detecting insider trading:

- Review trading activity reports or confirmations and statements for each officer, director, investment adviser representative and supervised person of SWM

- Review and monitor the trading activity of all accounts managed by SWM.

The consequences for trading on or communicating material, non-public information are severe. Consequences can be imposed on the persons involved in insider trading and their employer. Penalties can be imposed even if the parties involved do not personally benefit from the activities involved in the violation. In addition to the regulatory and criminal penalties that could be imposed, supervised persons can expect that any violation of SWM's insider trading policy

will result in serious penalties to all parties involved, potentially including dismissal from employment with SWM.

PERSONAL SECURITIES TRANSACTIONS

SWM and its supervised persons may buy or sell securities or hold a position in securities identical to the securities recommended to clients. It is SWM's policy that no supervised person will put his or her interests before a client's interests. To ensure client's interests are properly protected, SWM has enacted the following procedures:

- When assigning new securities analysis projects, SWM will assign such projects to employees whose personal holdings do not present apparent conflicts of interest.
- Supervised persons may not trade ahead of any client or trade in a way that would cause the supervised person to obtain a better price than the price a client would obtain. It is the supervised person's responsibility to know which securities are being traded by SWM. Supervised persons can consult with the CCO to determine whether a security is an appropriate purchase or sale by the supervised person.
- Supervised persons are prohibited from trading on non-public information and from sharing such information.
- SWM's supervised persons may not invest in an initial public offering ("IPO") for their own accounts or those of related household members.
- SWM's supervised persons are required to obtain approval from the CCO prior to investing in a private placement.
- Supervised persons are prohibited from placing a personal securities transaction before offering the investment opportunity to clients.
- Supervised persons will not be assigned to conduct securities analysis on behalf of SWM when the employee's personal securities holdings create a conflict of interest.

Before a supervised person places a personal trade, the following should be considered:

1. Will the amount or nature of the transaction affect the price or market for the security?
2. Is the transaction likely to harm any client?
3. Is there an appearance or suggestion of impropriety?

Per the requirements of Rule 204A-1 of the *Advisers Act*, all persons associated with SWM who are also considered access persons will be required to report all securities transactions to the CCO. An access person has been defined by the SEC, under Rule 204A-1(e)(1), as:

> (i) Any of your supervised persons:

(A) Who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or

(B) Who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic.

(ii) If providing investment advice is your primary business, all of your directors, officers, and partners are presumed to be access persons.

Access persons must report trades implemented for a personal account, an account of any household family member (spouse, minor children, or other adults residing in the same household) or any account for which the access person acts as a trustee. Personal securities transactions that need to be reported include stocks, bonds, limited partnerships, options, and other general securities. Transactions involving any of the following do not need to be included on the report:

- Open-end mutual fund (unless the adviser or a control affiliate acts as the investment adviser or principal underwriter for the fund)
- Money market instruments
- Bankers' acceptances
- Bank CDs
- Commercial paper and high quality short-term debt instruments
- Variable annuities funded by insurance company separate accounts organized as unit investment trusts. Such separate accounts typically are divided into subacoounts, each of which invests exclusively in shares of an underlying open-end fund.
- Government securities
- Unit Investment Trusts (UITs) *provided that the UIT is invested exclusively in unaffiliated mutual funds*

REPORTING REQUIREMENTS

Access persons must disclose where all personal securities acounts are maintained. All access persons will be required to set-up SWM as an interested party on all brokerage accounts. This will allow SWM to receive duplicate copies of statements on these accounts. Access persons must verify that SWM will receive the statements no later than 30 days after the end of the applicable quarter. All access persons will sign an annual statement acknowledging that they have established SWM as an interested party to receive copies of all statements relating to any personal brokerage account.

The CCO will receive, review, and approve a copy of all statements for access persons' accounts. These documents will be reviewed for the following:

- To assess whether persons are following the firm's policies and procedures
- To assess whether any trades are being placed that are on the firm's restricted list
- To assess whether the access person is trading for his/her own account in the same securities he/she is trading for clients and if so whether the clients are receiving terms as favorable as the access person is receiving
- To assess whether there are any substantial disparities between the quality of performance of the access person's account over that of the clients' accounts
- To assess whether there are any substantial disparities between the percentage of trades that are profitable when the access person trades for his/her own account and the percentage that are profitable when the access places trades for clients' accounts

If all required information is not included on the statements, the access persons will be required to report any missing information to the CCO. All approved statements will be maintained in SWM's personal securities transactions file.

GIFTS AND ENTERTAINMENT

Receiving or giving any gift of more than $100 from any person or entity that does business with or on behalf of any client/investor is prohibited, except as otherwise permitted by the CCO. Any gifts given or received by SWM or any of its supervised persons are considered in aggregate whether or not they were conferred by the same or different people at SWM or the other (recipient) firm or party. For purposes of SWM's policies regarding entertainment, an entertainment event will include any conference, meal, or sponsored outing.

No supervised person or member of a supervised person's immediate family may send or receive any gift of more than $100 from any persons or entity including clients and their service providers, vendors, and competitors.

Supervised persons may invite clients to an event provided that the purpose of the meeting is to discuss SWM's business and the event has been approved by the CCO.

VIOLATIONS

Supervised persons are required to report any violations relating to SWM's Code of Ethics, Insider Trading or Personal Securities Transactions Policies and Procedures to the CCO. SWM's management staff will not view such reports negatively even if, upon review of the reportable event, it is determined not to be a violation so long as the supervised person reported the event in good faith. The identity of the reporting party will remain confidential. Upon discovering a

violation of any of these policies and procedures, SWM may impose any sanctions that are deemed appropriate, including but not limited to, disgorgement of profits, reversal of the trade or suspension of trading privileges, verbal warning, written warning, fines, suspension or termination of employment.

SUPERVISION

The CCO is in charge of establishing, implementing, and supervising the written policies and procedures of SWM. The CCO will establish policies to ensure compliance with the requirements of all applicable federal and state laws and regulations. In addition, they will ensure systems are in place to provide safeguards against inadvertent violation of laws, rules and regulations, and against those supervised persons who may be tempted to engage in improper conduct. The CCO will be in charge of training all new and current supervised persons on the firm's internal controls and procedures. He will implement testing and reviews designed to provide reasonable assurance that SWM's policies and procedures are being followed and are effective.

SWM considers any communication from a federal, state, or self-regulatory organization a serious matter. In the event SWM is contacted, receives a visit, or receives a notice of a visit from any federal, state, or self-regulatory organization, the CCO must be notified immediately.

In addition, any inquiry from a member of the press must be directed to the CCO who will be responsible for conducting all official correspondence with any members of the media.

BRANCH OFFICE AUDITS

All SWM Branches are audited in accordance with the SANDLAPPER Securities, LLC (BD) branch audit/inspection schedule.

The annual audit of branch offices will be completed under the direction of the CCO who will determine the breadth and parameters of the audit. He will maintain all documentation of each branch office audit.

While branch office audits may be scheduled in advance, some branch office audits may be conducted on an unannounced (surprise) basis. At a minimum, branch offices can expect the following issues to be reviewed during a branch office.

- Review client files.
- Advertising and marketing materials.
- Branch signage.
- Procedures designed to protect clients' and the firm's confidentiality and privacy.

OUTSIDE BUSINESS ACTIVITIES

Employment of any outside business activity by an associated person of SWM may result in possible conflicts of interests for the associated person or for the firm and therefore must be reviewed and approved by the CCO. In addition,

outside business activities must be disclosed on the associated person's Form U4, and if applicable, the Form ADV. Outside activities which must be reviewed and approved include, but are not limited, to the following:

1. Being employed or compensated by any other entity;

2. Being active in any other business including part-time, evening or weekend employment;

3. Serving as an officer, director, partner, or in some other similar capacity for any other entity;

4. Ownership interest in any non-publicly traded company or other private investments; or

5. Any public speaking or writing activities.

Written approval from SWM and/or Sandlapper Securities, LLC ("SLS" the Broker/Dealer) for any of the above activities must be obtained by supervised persons prior to engaging in the activity. All supervised persons must complete and submit an Outside Business Activities Disclosure Form at the time such activities will begin. The CCO will review the activities of supervised persons to determine if any activity could be a conflict of interest with the rules and regulations of the applicable regulatory authorities. In addition, activities will be reviewed to ensure they do not interfere with any of the supervised person's responsibilities with SWM.

BOOKS AND RECORDS

SWM is required to keep and maintain certain books and records as appropriate concerning its advisory business. The CCO is responsible for ensuring all books and records are prepared, maintained, and updated in a timely and accurate manner. Any records that are maintained at a branch office level will be reviewed as part of the annual branch audit. Advisory fees will not be paid to the investment adviser representative if the proper client information has not been provided to the home office. Home office books and records will be reviewed as part of the firm's annual review.

Prior to SWM ceasing to conduct or discontinuing business as an investment adviser, it will arrange for and be responsible for the preservation of the books and records required for a period of no less than three years after termination. SWM will provide notification where such books and records will be maintained during such period by completing and electronically filing the Form ADV-W via the IARD system.

Books and records will be kept in compliance with Rule 204-2 of the *Advisers Act*. Pursuant to this Rule, and unless otherwise stated, SWM will keep all books and records in an easily accessible location for a period of five years from the end of the fiscal year in which an entry was made or published. For the first two years, the books and records will be maintained in an appropriate office of SWM. The CCO is responsible for ensuring the accurate creation of all required books and records and their maintenance in a manner that secures them from unauthorized alteration or use and protects them from untimely destruction. The following books and records, which have been cited directly from Rule 204-2, will be maintained by SWM.

1. A current copy of the firm's Articles of Incorporation, records of meeting minutes, stock certificate books and any other corporate records.

2. A journal or journals, including cash receipts and disbursements, records, and any other records of original entry forming the basis of entries in any ledger.

3. General and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income and expense accounts.

4. All trial balances, financial statements, and internal audit working papers relating to the business of the firm.

5. All check books, bank statements, cancelled checks and cash reconciliations of the firm.

6. All bills or statements (or copies thereof), paid or unpaid, relating to the business of the firm.

7. A memorandum of each order given by the firm for the purchase or sale of any security, of any instruction received by the investment adviser concerning the

purchase, sale, receipt or delivery of a particular security and of any modification or cancellation of any such order or instruction. Such memoranda shall show the terms and conditions of the order, instruction, modification or cancellation; shall identify the person connected with the firm who recommended the transaction to the client and the person who placed such order; and shall show the account for which entered, the date of entry and the bank, broker or dealer by or through whom executed where appropriate. Orders entered pursuant to the exercise of discretionary power shall be so designated.

8. Originals of all written communications received and copies of all written communications sent by the firm relating to:

   (i) Any recommendation made or proposed to be made and any advice given or proposed to be given,

   (ii) Any receipt, disbursement or delivery of funds or securities, or

   (iii) The placing or execution of any order to purchase or sell any security: Provided, however,

      (*a*) That the firm is not required to keep any unsolicited market letters and other similar communications of general public distribution not prepared by or for the firm, and

      (*b*) That if the firm sends any notice, circular or other advertisement offering any report, analysis, publication or other investment advisory service to more than 10 persons, the firm is not required to keep a record of the names and addresses of the persons to whom it was sent; except that if such notice, circular or advertisement is distributed to persons named on any list, the firm shall retain with the copy of such notice, circular or advertisement a memorandum describing the list and the source thereof.

9. A list or other record of all accounts in which the firm has received any discretionary power with respect to the funds, securities or transactions of any client.

10. All powers of attorney and other evidences of the granting of any discretionary authority by any client, or copies thereof.

11. All written agreements (or copies thereof) entered into with any client or otherwise relating to the business of the firm.

12. A copy of each notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication circulated or distributed, directly or indirectly, to 10 or more persons (other than persons connected with the firm),

and if such notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication recommends the purchase or sale of a specific security and does not state the reasons for such recommendation, a memorandum indicating the reasons therefore.

13. Code of Ethics.

    (i) A copy of the firm's Code of Ethics adopted and implemented along with any amendments made to the Code of Ethics at any time within the past five years;

    (ii) A record of any violation of the Code of Ethics, and of any action taken as a result of the violation; and

    (iii) A record of all written acknowledgments of the Code of Ethics for each person who is currently, or within the past five years was, a supervised person of the investment advisor.

14. Personal securities holdings and transactions.

    (i) A record of all access persons annual holding reports and quarterly transaction reports or other records used in lieu of such reports;

    (ii) A record of the names of persons who are currently, or within the past five years were, access persons; and

    (iii) A record of any decision, and the reasons supporting the decision, to approve the acquisition of securities by access persons under Rule 275.204A–1(c), of the *Advisers Act*, for at least five years after the end of the fiscal year in which the approval is granted.

15. A record of every transaction in any security that the firm holds any direct or indirect ownership interest.

16. A copy of the firm's Disclosure Brochure and each amendment or revision thereof, given or sent to any client or prospective client, and a record of the dates that each written statement, and each amendment or revision thereof, was given, or offered to be given, to any client or prospective client who subsequently becomes a client.

17. Copies of all solicitor/referral fee arrangements, all written acknowledgments of client receipt of solicitor disclosure documents, and copies of the disclosure documents delivered to clients by solicitors.

18. Regarding performance advertising: All accounts, books, internal working papers, and any other records or documents that are necessary to form the basis

for or demonstrate the calculation of the performance or rate of return of any or all managed accounts or securities recommendations in any notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication that the investment adviser circulates or distributes, directly or indirectly, to 10 or more persons (other than persons connected with the firm); *provided, however,* that, with respect to the performance of managed accounts, the retention of all account statements, if they reflect all debits, credits, and other transactions in a client's account for the period of the statement, and all worksheets necessary to demonstrate the calculation of the performance or rate of return of all managed accounts shall be deemed to satisfy the requirements of this paragraph.

19. Written compliance and supervisory policies and procedures programs.

    (i) A copy of the firm's internal written compliance and supervisory policies and procedures that are in effect, or at any time within the past five years were in effect, and

    (ii) Records documenting the firm's reviews, done at least on an annual basis, of the policies and procedures.

    (iii) Records of violations of the firm's written compliance and supervisory policies and procedures and any actions taken as a result of the violations.

20. Custody and possession of securities and funds:

    (1) A journal or other record showing all purchases, sales, receipts and deliveries of securities (including certificate numbers) for such accounts and all other debits and credits to such accounts.

    (2) A separate ledger account for each such client showing all purchases, sales, receipts and deliveries of securities, the date and price of each purchase and sale, and all debits and credits.

    (3) Copies of confirmations of all transactions effected by or for the account of any such client.

    (4) A record for each security in which any such client has a position, which record shall show the name of each such client having any interest in such security, the amount or interest of each such client, and the location of each such security.

    (5) A memorandum describing the basis upon which the firm has determined that the presumption that any related person is **not**

operationally independent under the SEC Custody Rule (see: Rule 206(4)-2(d)(5)) has been overcome.

21. Records showing the securities purchased and sold, and the date, amount and price of each such purchase and sale for each client.

22. For each security in which any such client has a current position, information from which the investment adviser can promptly furnish the name of each such client, and the current amount or interest of such client.

23. Proxy voting:

    (i) Copies of all policies and procedures concerning proxy voting.

    (ii) A copy of each proxy statement that the firm receives regarding client securities. A third party may be relied upon to make and retain a copy of a proxy statement (provided that the firm has obtained an undertaking from the third party to provide a copy of the proxy statement promptly upon request) or may rely on obtaining a copy of a proxy statement from the Commission's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system.

    (iii) A record of each vote cast by the firm on behalf of a client. A third party may be relied upon to make and retain a record of the vote cast (provided that the firm has obtained an undertaking from the third party to provide a copy of the record promptly upon request).

    (iv) Copies of all documentation used that was material to making a decision on how to vote proxies on behalf of a client or that memorializes the basis for that decision.

    (v) A copy of each written client request for information on how the firm voted proxies on behalf of the client, and a copy of any written response by the firm to any (written or oral) client request for information on how the proxies were voted.

24. Copies of written complaints received from any client or any notes taken as a result of a verbal client complaint.

CLIENT FILES

Books and records concerning the clients of SWM may be maintained in such a manner that the identity of any client to whom SWM renders investment

supervisory services is indicated by numerical or alphabetical code or some similar designation.

A file must be maintained for each SWM client. Such files must contain any documents that establish and define SWM's relationship with the client. The following are examples of documents that must be maintained in the client files:

- Advisory contracts and any data gathering documents
- Copies of fee schedules
- Copies of any legal documentation
- Copies of documents granting discretionary authority
- Copies of any correspondence sent or received
- Copies of documents evidencing the delivery of client disclosure documents
- Copies of any reports prepared and provided*
- Copies of any monthly or quarterly brokerage, mutual fund and variable annuity statements*

* These files may be maintained separate from the client file in alpha or account number and chronological order.

MAINTENANCE OF ELECTRONIC RECORDS

All required documentation may be kept in paper format or via electronic media. Documents must be maintained in a format that may be immediately produced or reproduced upon request from a regulator. If documents are stored electronically, the following requirements will be met pursuant to SEC Rule 204(g) which permits micrographic and electronic storage of records provided:

- Records are arranged and indexed in a way that permits easy location, access, and retrieval of any particular record;
- Records are provided promptly upon request by the SEC or any other regulator;
- Records are legible, true, and complete in the medium and format in which the records are stored;
- A legible, true, and complete printout of the record can be provided;
- There is proper means to access, view, and print the records; and
- Records are separately stored, for the time required for preservation of the original record, with a duplicate copy of the record on any medium allowed by this section.
- Procedures must ensure the maintenance and preservation of the records, so as to reasonably safeguard them from loss, alteration, or destruction;
- To limit access to the records to properly authorized personnel and the SEC (including its examiners and other representatives); and

- To reasonably ensure that any reproduction of a non-electronic original record on electronic storage media is complete, true, and legible when retrieved.

CLIENT DOCUMENTS AND DISCLOSURES

DISCLOSURE BROCHURE

Under the requirements of Rule 204-3 of the *Advisers Act*, SWM is required to provide all clients and prospective clients with its Form ADV Part 2A written disclosure document . The major purpose of the Form ADV Part 2A is to provide full and fair disclosure to clients regarding things such as, the firm's services, fees, business practices, conflicts of interest, codes of ethics, proprietary and employee trading, material affiliations, and certain financial and disciplinary disclosures. The Part 2A Appendix 1 discloses specific information about the wrap fee program that the firm sponsors. The Part 2B Brochure Supplement provides information about the firm's investment adviser representative(s).

A current copy of the disclosure documents will be delivered to an advisory client or prospective client before or at the time the client enters into a contract with SWM. Every client will acknowledge initial receipt of the disclosure documents in writing.

On an annual basis, within 120 days of SWM's fiscal year end, all existing clients will receive a copy of SWM's disclosure brochure (Part 2A or, if a wrap-fee client, Part 2A Appendix 1) that includes or is accompanied by the summary of material changes; or a summary of material changes that includes an offer to provide a copy of the current brochure upon request. Such document(s) will be provided to the client without charge. In addition, any client may request a copy of the firm's disclosure documents at any time. Any request for a copy of SWM's disclosure documents, made verbally or in writing, will be mailed or delivered within seven days of receipt of the request. Furthermore, if at any time during the year SWM's response to Item 9 of Part 2A (disciplinary information) changes, SWM will provide an interim update to clients that describes the material facts relating to the amended disciplinary event. The COO will ensure that a copy of each client's annual delivery of the disclosure document(s) or a dated sample copy of the annual delivery letter and a log of all clients to whom the annual delivery is sent is maintained. In addition, a log of all clients requesting a copy of any disclosure documents will be maintained.

SWM will provide various states a copy of its Form ADV Part 2A by submitting the document electronically via the IARD system. Further, all updates to the Part 2A will be filed through the IARD system and will be maintained as part of SWM's files.

BROCHURE SUPPLEMENT

In addition to providing clients with Form ADV Part 2A , SWM will provide each client with the Form ADV Part 2B Brochure Supplement for each supervised person who provides advisory services to that client and for each supervised

person who has discretionary authority over the client's assets, even if the supervised person has no direct contact with that client. The Form ADV Part 2B Brochure Supplement is a disclosure document that provides clients with information about SWM's supervised persons who provide clients with investment advice or who have discretionary authority over client assets. The Brochure Supplement includes the supervised person's contact information, educational background and business experience, disciplinary information, other business activities, and compensation information.

The Brochure Supplement will be delivered before or at the time the supervised person begins to provide advisory services to the client. Further, the client will be given an update to the Brochure Supplement if at any time during the year there are material changes made to the supervised person's response to Item 3 of Part 2B (disciplinary information). This update will be provided without charge and will describe the material facts relating to the amendment.

ELECTRONIC DELIVERY

SWM may deliver the Form ADV Part 2A, 2B, and other documents to clients via electronic media. In addition, even if a client consents to have documents delivered electronically, whenever a client requests a paper copy of a document, SWM will promptly provide a paper copy of the document at no cost to the client.

Like paper documents, electronically delivered documents will be prepared and delivered in a manner consistent with the requirements of the *Advisers Act*. Regardless of the delivery format of the document, all documents distributed by SWM will contain all material and required information presented in the manner prescribed by the *Advisers Act* or other federal securities laws.

Whenever SWM distributes documents electronically, SWM will do so in a manner that gives the firm reasonable belief that the delivery requirements are satisfied.

CONFLICTS OF INTEREST

As a fiduciary, SWM has an obligation to always act in the best interests of its clients. Part of SWM's fiduciary duty includes disclosing all potential and real conflicts of interest that may materially affect a client's decision to conduct business with SWM. SWM and its supervised persons are required to disclose the following conflicts of interest to clients:

- Any interest the firm or a supervised person may have in any recommendations made;

- Compensation received from the issuer of a security being recommended by SWM or any or its supervised persons, including special marketing allowances;

- Personal securities transactions for the firm and its supervised persons and whether the transactions are similar or inconsistent with investment advice given to clients. Supervised persons may not effect transactions in which they have a personal interest in a manner that could result in preferring their own interest to that of SWM's clients; and

- Any financial related business affiliations that SWM has entered into. In addition, any outside business activities of SWM's supervised persons.

CLIENT AGREEMENTS AND SUPPORTING DOCUMENTS

Any time a relationship is established with a new client, all required disclosures will be provided to the client and all required information and forms will be obtained from the client. The client's investment objectives and goals will be documented and reviewed. In addition, all clients will complete an informational and data gathering form.

The *Advisers Act* does not require SWM to enter into written agreements, but does set forth requirements if agreements are in writing. When entering into oral advisory agreements, SSWM must still follow Rule 204-2 of the *Advisers Act* concerning books and records and provide the SWM disclosure documents. Any written agreements entered into between SWM and its clients will, at a minimum, contain the following conditions:

- Agreements will not purport to waive compliance with, or violate, the *Advisers Act* or rules under the *Advisers Act*.

- Agreements will not include any hedge clauses.

- Agreements will include an acknowledgement of receipt of SWM's disclosure documents, including Form ADV Part 2A and 2B(s).

- Agreements will be signed by all parties contracting for services including the client(s) and an authorized officer of SWM.

PRIVACY REQUIREMENTS

Regulation S-P was issued by the SEC in June 2000 in response to the privacy requirements of the *Gramm-Leach-Bliley Act of 1999* ("*GLB Act*"). Regulation S-P is a comprehensive set of SEC rules that are focused on preventing financial institutions from disclosing various types of non-public personal information gathered from individual clients to unaffiliated persons. Regulation S-P prohibits the sharing of non-public personal information with any non-affiliated third party unless the firm has provided notices of its privacy policies and "opt-out notices" allowing clients to "opt-out" of the disclosure of such information. The types of personal information covered generally include any information that is not already publicly available but is provided by a client in order to obtain financial products or information from an adviser providing services or engaging in transactions for the client.

The *GLB Act* permits states to enact privacy protections that are stronger than those contained in the *GLB Act* and Regulation S-P. In order to further meet the privacy concerns of their residents, California, Connecticut, Massachusetts, New Mexico, and Vermont have enacted privacy protections which are stronger than the provisions of the *GLB Act* and Regulation S-P. With regard to clients who are residents of these states, SWM is prohibited from sharing non-public personal information with any affiliated third party unless the firm has provided notices of its privacy policies and "opt-in" notices allowing clients to "opt-in" to the disclosure of such information. An "opt-in" generally requires SWM to obtain from its client and consumers a signed statement in which the person makes an affirmative declaration of permission to disclose certain personal information.

SWM is required to adopt policies and procedures designed to protect various records and information it maintains about its natural person clients. It is required to provide "clear and conspicuous" notices reflecting its privacy policies and procedures to a client initially at the time a relationship is established and annually thereafter. The initial notice must be provided at the time the client enters into an advisory contract with SWM. Any initial notice may be provided within a reasonable time after it establishes a client relationship if: (i) establishing the client relationship is not at the client's election, (ii) providing notice no later than when the client relationship is established would substantially delay the client's transaction and the client agrees to receive the notice at a later time, or (iii) a non-affiliated broker or dealer establishes a client relationship between the adviser and a consumer without the adviser's prior knowledge. For purposes of Regulation S-P, an individual who is the record holder of a fund's shares is considered the client. If the client has multiple accounts, SWM is permitted to deliver a single Privacy Notice provided the notice makes it clear which accounts it applies to and the client can reasonably be expected to receive the actual notice regarding each account.

In certain circumstances, SWM is permitted to share client non-public personal information with non-affiliated third parties without providing the client notice of and an opportunity to opt out. Such circumstances include sharing information:

- With a non-affiliate if necessary to effect, administer, or enforce a transaction that a client requests or authorizes
- In connection with processing or servicing a financial product or service a client authorizes
- In connection with maintaining or servicing the client's account with the institution.

Under these exceptions, SWM does not need to provide the client the opportunity to opt out or opt in before sharing the client's non-public personal information with a non-affiliated broker/dealer in order to execute trades the client has authorized with a non-affiliated custodian that holds securities on behalf of the client.

The COO is responsible for maintaining SWM's Privacy Notice and all required records pertaining to such document. The CCO will be responsible for training supervised persons and making sure everyone is aware of and complies with SWM's Privacy Notice policies and procedures. The CCO will be responsible for ensuring that all clients receive the initial delivery and annual delivery of SWM's Privacy Notice.

INFORMATION SECURITY PLAN

Pursuant to Rule 30 of Regulation S-P, SWM has adopted the following Information Security Plan to address the administrative, technical, and physical safeguards for the protection of client records and information. The purpose of this information security plan is to ensure the security and confidentiality of client personal information, protect against any anticipated threats or hazards to the security of client information, and protect against the risk of identity theft.

Personal information is considered a person's first and last name, or their first initial and last name, in combination with their Social Security number, driver's license number or state issued identification card number, or their financial account number or credit or debit card number. Personal information does not include information that is lawfully obtained from publicly available information, or from federal, state, or local government records that are available to the general public. The personal information collected by SWM will be limited to what is reasonably necessary to accomplish business purposes or to satisfy regulations. Further, access to personal client information will be limited to those employees required to know such information.

To protect clients' personal information, SWM has instituted the following safeguards:

- Client files are physically locked during non-business hours;
- Strong electronic passwords are utilized that:
    - Contain alphanumeric/special character combinations;

    - Require users to change the password after a certain time period; and
    - Lock the device after several unsuccessful attempts at access
- When disposing of old computers, hard drives, and other storage medium are removed and physically destroyed;
- Whenever possible, alternatives are used in place of social security numbers and account numbers;
- Any email request for client information or to change client information must be encrypted;
- Any electronic request for client information or request to change client information must be confirmed via physical writing or through oral communication (in person or via the phone);
- Wireless connections (WEP/WPA) are password protected;
- Passwords are never provided by email or through a web page accessed through a link in an email.

In addition, employees of SWM are required to:

- Put away open client files when leaving their desk;
- Shred documents when disposing of physical files;
- Never share their electronic passwords;
- Set electronic devices to require users to re-login after a period of inactivity;
- Encrypt all client information transferred or stored on portable electronic devices such as laptops, tablets, external hard drives, CD-ROMs, disks, thumb drives, and smart phones; and
- Utilize and update patches for operating systems, firewalls, and anti-virus and malware software for business computers, and personal electronic devices used for business purposes.

In the event of termination, an employee must return all records containing any form of client personal information. This includes all information stored on laptops or other portable devices or media, and information stored in files, records, work papers, etc. The terminated employee's physical and electronic access to personal information of clients will be immediately blocked and the terminated employee will be required to surrender all keys, IDs, access codes, or badges that permit access to SWM's premises or information. In addition, the terminated employee's remote electronic access to personal information will be disabled and his or her voicemail access, email access, internet access, and passwords will be invalidated.

The CCO is in charge of SWM's information security. Accordingly, he is responsible for training employees, testing and regularly monitoring the security program, conducting an annual review of the effectiveness of the information security plan, conducting a review whenever there is a material change in the

business practices of SWM that may implicate the security or integrity of clients' personal information, and conducting an annual training session for all individuals who have access to clients' personal information.

The CCO will conduct due diligence of any service provider used by SWM to ensure the service provider's ability to protect client information. (See the Due Diligence section of this manual for more details).

SECURITY BREACH

Employees should report any suspicious or unauthorized use of client information to the CCO. He will be responsible for conducting a reasonable investigation to determine whether a security breach occurred and the likelihood of the information being misused.

In the event of a security breach, SWM will assess the breach and identify which systems and the types of information that were compromised. The firm will then take steps to contain and control the breach and to prevent further unauthorized access or use. The CCO will notify clients of the breach if misuse has occurred or it is reasonably possible that misuse will occur. Further, he will provide notice to the SEC or the proper state securities authority.

The CCO will prepare and archive a report of each Security Breach including when the breach occurred, the information stolen, and an explanation of the steps taken to prevent a reoccurrence of the breach.

PROXY VOTING

SWM will not vote proxies on behalf of clients. If clients have questions concerning proxy issues, they can ask the firm's investment advisor representatives for assistance, but clients are responsible for voting all proxies.

If at any time in the future SWM chooses to allow the voting of proxies on behalf of clients, as a fiduciary it must vote proxies in the best interests of the client. According to the *Advisers Act,* if an adviser votes proxies on behalf of clients, the adviser must satisfy the following requirements:

- Adopt and implement written proxy voting policies and procedures reasonably designed to ensure that the investment adviser votes client securities in the best interests of the clients and addressing how conflicts of interest are handled;
- Disclose its proxy voting policies and procedures to clients and furnish clients with a copy of these policies and procedures if requested;
- Inform clients as to how they can obtain information from the investment adviser on how their securities were voted; and
- Retain required records.

Under the *Employee Retirement Income Security Act of 1974*("ERISA"), investment advisers have special fiduciary responsibilities. Under ERISA, if the authority to manage a plan has been delegated to an investment manager, only the investment manager has the authority to vote proxies on behalf of the plan except, when the plan named fiduciary has reserved to itself or to another named fiduciary (as authorized by the plan document) the right to direct a plan trustee regarding the voting of proxies.

CUSTODY

Under Rule 206(4)-2 of the *Advisers Act* ("Rule 206(4)-2") and its requirements, custody is defined as holding, directly or indirectly, clients' funds or securities, or having the authority to obtain possession of them. Under Rule 206(4)-2, custody will include the following:

- Having possession of client funds or securities, unless such assets are received inadvertently and the adviser returns them to the sender within three business days (This would not include possession of a check drawn by a client that is made payable to a third party.);
- Having arrangements, including a general power of attorney, whereby an adviser is authorized or permitted to withdraw client assets maintained with a custodian upon the adviser's instruction to the custodian (This would include having the ability to deduct fees or other expenses directly from a fund's or client's account.) and;
- Acting in any capacity that provides the adviser or any of its supervised persons with legal ownership or access to client assets, such as acting as general partner of a limited partnership, as managing member of a limited liability company, or as trustee of a trust.

According to this definition, SWM is deemed to have custody of client assets since it has management fees deducted directly from client accounts and paid to SWM. However, the automatic deduction of advisory fees from client accounts is the only form of custody SWM will maintain. SWM will not have direct access to client funds and securities, nor will it have control over client funds and securities. According to the exemption provided in the SEC's *Custody of Funds or Securities of Clients by Investment Advisers* Rule, since the deduction of client fees is the only form of custody SWM will maintain, SWM may indicate on its Form ADV Part 1, Item 9 that it does not have custody of any advisory clients' cash or bank accounts or securities. Further, since the only form of custody the firm has is the deduction of advisory fees, SWM is not subject to the Rule's surprise verification examination requirements.

The following are prohibited:

- Supervised persons are prohibited from deducting fees directly from client accounts.

- Fees of more than $1,200 will not be billed more than six (6) months in advance.

- Funds and securities will not be held on a client's behalf.

- Supervised persons are prohibited from signing checks on a client's behalf.

- Supervised persons are prohibited from serving on the board of directors of an organization that will direct investments to SWM.

- Supervised persons will not serve as a trustee for any non-family client trust or estate.

- SWM and its supervised persons will not receive funds from the proceeds of any sale of a client's securities in the name of SWM or its supervised persons.

- SWM and its supervised persons will not transfer or wire funds from a client's account to any account other than other accounts owned by the same client. If funds must be wired or transferred from a client's account to another account not owned by the client (i.e. a third-party account) , written instructions signed by the client must be obtained by SWM to be forwarded to the qualified custodian prior to any funds being wired or transferred.

- SWM will not request a check or remit funds from an account unless the request is to the account owner. To the extent, SWM also has the ability to change the client's address of record on the account, SWM must ensure the client's custodian delivers a notice of all address changes to the new address and old address at least 30 days after making the change. If the custodian does not deliver such notice and SWM has the ability to remit funds from an account and change the address on the account, SWM is deemed to have custody.

- Supervised persons are prohibited from accepting client securities (i.e., stock certificates) to be forwarded to the qualified custodian by SWM. Supervised persons are not allowed to accept client securities. If client securities are accepted, SWM would be in violation of the custody rule's requirement to maintain all client funds and securities with a qualified custodian at all times.

- SWM may accept and receive funds (i.e., checks written to third parties) from clients to be forwarded to a third party custodian. Client funds must be made payable to the custodian in charge of maintaining the client's account. Any time client funds or securities are made payable to SWM when the funds or securities should have been made payable to the custodian or a third party, the funds must be returned to the client promptly. When accepting client funds made payable to a third party, the funds must be forwarded to the account custodian promptly (i.e., forwarded to the custodian the same business day or, if received at the end of the business day, forwarded to the custodian the following business day). Cash will never be accepted for deposit to a client's account.

As required under Rule 206(4)-2, the following procedures have been implemented by SWM:

1. Accounts must be maintained with a qualified custodian. Most regulated banks and savings associations, registered broker/dealers, registered futures commission merchants, and foreign financial institutions may serve as qualified custodians. Funds and securities must be maintained by the

custodian, either in a separate account for each client or fund in the client's/fund's name or in accounts containing only funds or securities of the adviser's clients or funds under the name of the adviser as agent/trustee for the clients or funds. Shares of registered open-end investment companies can be held by the fund's transfer agent. In addition, privately placed and un-certificated securities are not subject to this rule, if their ownership is recorded in the client's name only on the books of the issuer or transfer agent and are transferable only with the prior consent of the issuer or its shareholders.

2. Notice must be provided to clients. Upon opening an account with a qualified custodian, SWM will notify the client or investor in writing of the qualified custodian's name, address, and the manner in which the funds or securities are maintained. If this information changes, notification must be provided to the clients. Clients or investors may designate an independent representative to receive such notices.

3. SWM will establish reasonable belief, upon due inquiry, that the client's qualified custodian is sending account statements at least quarterly to the client and that the account statements identify the amount of funds and each security in the account at the end of each quarter. Statements must also set forth all transactions in the account during the quarter.

FEE BILLING

SWM is responsible for calculating fees billed from the majority of client accounts and for forwarding fee billing instructions to the client's account custodian. In some cases, however, the custodian calculates and deducts SWM's fee as part of a program the custodian sponsors.

In those cases where SWM calculates the fee, the CCO is responsible for completing this task. It is the policy of SWM that all of its management fees are authorized by the client to be automatically deducted from the client's accounts. Exceptions to this policy must be approved by the CCO.

When opening an account, the CCO is responsible for initially coding the account with the proper fee that corresponds to the client's annual fee schedule as it appears on the client agreement or fee schedule. If a new fee schedule is required to match the schedule shown on the client agreement, the CCO must ensure the proposed new fee schedule is within the stated fee range according to the SWM's Form ADV. Fees that fall outside of the SWM's approved fee schedule must be reported to the CCO for review and approval. Once approved, the new fee schedule are entered into the fee calculation system.

The CCO is responsible for checking all fee-billing information, delivering instructions to account custodians, and reconciling fees paid by custodians to the amounts billed on the invoices.

TRADING

An adviser's trading practices must be fair to clients and must include a fair and reasonable allocation system. As a fiduciary, SWM has a responsibility to make only suitable investment recommendations to its clients. SWM must obtain sufficient information from each client to determine the nature of the client's investment objectives and policies.

TRADING ERRORS

SWM and its investment adviser representatives will take care when handling client orders in order to avoid errors. SWM makes all attempts to implement client trades correctly. If a trade error does occur where SWM or any of its supervised persons is responsible for the error and a trade correction is needed, SWM will not pass the costs (including any losses) on to the client; will not use soft dollars to pay for correcting the error; and will not use another client's account to correct the error. SWM will bear all costs of correcting trade errors for which it was responsible. If the investment adviser representative is responsible for the error, SWM will pass all costs on to the representative.

SWM will maintain a report/file of all trade errors. The following will be documented for each trade error:

1. The client that was affected
2. A description of the error
3. The broker/dealer that was involved (if applicable)
4. The name of the security
5. The transaction date
6. A description of how the error was resolved

The CCO will be responsible for periodically reviewing the trade error report/file to determine that trade corrections are being appropriately handled and to determine if additional policies and procedures need to be implemented or changes need to be made to lessen the frequency or number of trades that are occurring.

TRADE ALLOCATION

SWM must allocate all investment opportunities among eligible clients promptly and on a documented, equitable basis. In some instances, SWM may encounter situations where it may be beneficial for one or more of its clients' accounts to purchase or sell a security where the investment opportunity is limited. In these instances, SWM will allocate the opportunity among its eligible client accounts. The SEC requires registered advisers to allocate securities transactions and make advisory recommendations in a fair and equitable manner or provide a fair and clear disclosure that the adviser does not. Failure to meet these requirements may

result in a violation of the anti-fraud provisions of the *Advisers Act.* Allocation decisions must be made in a timely manner. Generally, this means that decisions will be made prior to placing the order. SWM or its supervised persons' proprietary accounts cannot be traded in a favorable manner over client accounts.

SWM allocates aggregated or block transactions on a pro rata basis. Pro rata trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client's intended investable assets.

AGGREGATION OF CLIENT ORDERS

In some instances, an adviser may be able to obtain better prices and lower execution costs for its clients if it aggregates (also known as bunching or block trading) multiple smaller orders into one large order. When determining whether or not to aggregate a transaction, SWM still remains subject to its duty of best execution.

Including proprietary accounts in an aggregated order creates a conflict of interest due to the fact that SWM would have an incentive to favor proprietary accounts. If SWM will include proprietary accounts in aggregated client orders, it will:

1. Disclose its trade aggregation policy to all clients in its Form ADV Part 2;
2. Aggregate transactions only if it believes that aggregation is consistent with its duty of best execution;
3. Allocate orders on a pro rata basis for partially filled orders;
4. Not favor any client over any other client, and each client participating in the order will participate at an average share price of all SWM's transactions in that security on the day of execution and transaction costs will be shared on a pro rata base for each client's participation in the transaction;
5. Prepare a written statement prior to entering into an aggregated order that will specify the participating clients and how SWM intends to allocate the order among clients;
6. Deviate from the written allocation statement only on a fair basis with written documentation approved by the CCO no later than one hour after the opening of the markets on the trading day following the day the order executed;
7. Maintain accurate records relating to the aggregated trades, including, each client account that is included in an aggregated order, the securities held by and bought and sold for that client account;
8. Not hold client assets collectively any longer than necessary to settle the purchase or sale transaction;
9. Not receive any additional compensation or remuneration as a result of any aggregated order; and

10. Render individual advice and treatment to each advisory client.

The CCO will perform periodic spot checks of all aggregated orders to ensure that SWM's policies and procedures are adhered to and that trades are being allocated in a fair and equitable manner.

BEST EXECUTION

SWM has a duty to obtain best execution for client transactions. This means that SWM must execute transactions for clients in such a manner that the clients' total costs or proceeds in each transaction are most favorable under the circumstances. In selecting a custodian, or any other broker/dealer, to execute client securities transactions, SWM considers the full range of services offered including, but not limited to, the following:

- Execution capabilities including the ability to handle trades and answer calls in a volatile market
- Commission rates
- Financial responsibility
- Value of research or brokerage services provided
- Technology provided
- Willingness, ability, facilities and infrastructure to work with investment adviser firms
- Administrative resources
- Responsiveness
- Pricing for services provided

The SEC has indicated that best execution is not determined by the lowest possible commission costs but by the best qualitative execution. SWM must systematically and periodically evaluate its custodians to ensure that the custodian's best execution services are optimal. The CCO will be responsible for performing such periodic evaluations. He will perform these evaluations at least quarterly. Included among documents and information reviewed in this regard may be:

- Reports of executions posted publicly by clearing firms and other entities through which SWM routes orders.
- Time and sales data reviewed from sources deemed reliable
- Internal reviews and reports
- Any and all other information deemed appropriate by the CCO

The COO will document these evaluations and maintain a file to evidence the reviews.

The COO, the owners will be responsible for selecting the broker-dealers through whom trades will be executed.

CLIENT DIRECTED BROKERAGE ARRANGEMENTS

A directed brokerage arrangement exists when a client instructs the adviser to execute such client's trades through a particular broker/dealer. SWM does not allow directed brokerage arrangements. Associated persons should be aware that SWM still has a fiduciary duty to its clients in these situations and will not agree to directed brokerage arrangements without providing adequate disclosures to the client. If SWM would allow any directed brokerage arrangements in the future, prior to such arrangement, disclosures would be made regarding the potential impact of directed brokerage, including the fact that such arrangement may impair SWM's ability to obtain best execution for the client, that the client may not benefit from aggregated orders and that directed trades will be placed after effecting non-directed trades. In addition, SWM would require all directed brokerage arrangements to be provided by the client in writing.

DISCRETIONARY TRADING

A discretionary account is an account established with pre-approved authority for an investment adviser representative to execute transactions without having to ask for specific approval. Discretion is defined as the authority to decide:

- What security
- The number of shares or units
- Whether to buy or sell

Discretionary authority is not required for decisions regarding the timing of an investment or the price at which the investment is bought or sold.

SWM may maintain discretionary authority over its clients' accounts. Prior to any transaction being implemented for the client on a discretionary basis, written authority will be received from the client.

Discretionary accounts will also be subject to the following rules:

- If a trade is executed on a discretionary basis, the representative placing the trade will identify the trade as a discretionary trade at the time the trade is entered for execution. In addition, it will be noted on the trade ticket that the trade was placed on a discretionary basis.

- A record must be kept of all transactions.

- No excessive trading may occur in the account, relative to the size of the account and the client's investment objectives.

SOFT DOLLAR

Soft dollar arrangements generally involve an adviser obtaining products or services (other than securities execution) from a broker/dealer in return for directing client securities transactions to the broker/dealer. In these situations, an adviser may cause its clients' accounts to pay a commission that is higher than the lowest commission rate available from other broker/dealers for similar transactions. Currently, SWM does not have any soft dollar arrangements. If this policy changes, the firm has an obligation to fully disclose such arrangements to clients in its Form ADV. In addition, SWM will determine that the brokerage commissions paid by the client are reasonable in light of the brokerage and research services it receives. Client trades will always be implemented based on the goals and objectives of the client and not on the incentives to SWM or its supervised persons for implementing the trades.

The safe harbor in Section 28(e) of the *Securities and Exchange Act of 1934* ("Section 28(e)") protects advisers from the possible claim that soft dollar arrangements may be deemed to be a breach of fiduciary duty. In order to meet the requirements of the safe harbor, an adviser must generally:

- Determine in good faith that the amount of commission paid for a transaction in excess of the amount another broker/dealer would have charged was reasonable in relation to the value of the brokerage and research services provided by the executing broker/dealer;
- Have investment discretion over any accounts used to pay commissions that result in soft dollar benefits to the adviser;
- Provide disclosure in the adviser's Form ADV relating to the policies and practices with respect to commissions that will be paid for effecting securities transactions;
- Receive only services that constitute research and brokerage services as defined by Section 28(e)(3);
- Obtain soft dollar credits only with respect to commissions generated from agency transactions or markups or markdowns from a limited category of riskless principal transactions;
- Ensure that the broker/dealer providing the brokerage or research services retains sole financial responsibility for making payments to any third party in the event that the broker/dealer arranges for the adviser to receive permissible third-party goods or services; and
- Make a reasonable allocation of the cost of any "mixed use" product (i.e., a product used for research and non-research purposes), pay for the non-research portion with its own money, and retain adequate records to support the allocation.

Under the Section 28(e) safe harbor provision, the phrase "brokerage services" encompasses traditional securities execution and related services, such as clearance, settlement, and custody. Under Section 28(e), "research services" are

limited to advice, analyses, and reports. According to the SEC's July 24, 2006 Interpretive Release, this means that traditional research reports, market data, and other items that satisfy the eligibility criteria of Section 28(e) are eligible for the safe harbor as research, but that computer software is not. Mass marketed publications, such as the *Wall Street Journal*, are not eligible under the safe harbor. According to the SEC, the key determining factor in whether a product or service is or is not considered research is whether it provides lawful and appropriate assistance to the adviser in carrying out the adviser's investment decision-making responsibilities. Products or services that aid in the adviser's marketing or general administrative activities would not fall under the safe harbor.

If SWM engages in any soft dollar practices that fall outside of the scope of Section 28(e), The CCO will ensure that such arrangements are permissible under any applicable laws, rules, and regulations, as well as any documents governing the funds it manages. In addition, SWM will make a detailed disclosure on its Form ADV Part 2A . Such disclosure will describe the soft dollar arrangements and any goods or services received.

PRINCIPAL TRANSACTIONS

SWM does not engage in principal transactions. A principal transaction occurs when an adviser, acting for its own account (or the proprietary account of an affiliate), buys a security from or sells a security to, a client's account. Section 206(3) of the *Advisers Act* ("Section 206(3)") governs principal transactions and prohibits transactions where an adviser is acting as a principal for its own account and knowingly buys or sells securities from or to, a client, unless the client consents to the principal transactions after receiving full disclosure. This would also apply when an affiliate of the adviser is acting in a principal capacity with the advisory client such as when an adviser causes a client to engage in a trade with the adviser's affiliate. In addition, if an adviser indirectly structures a principal transaction, the SEC has determined that the transaction will be subject to Section 206(3).

According to Section 206(3), investment advisers must provide written disclosure and receive client consent prior to the completion (upon settlement) of each principal transaction. This would include "riskless principal" transactions. Such disclosure and consent will not be obtained through a prospective, blanket consent from clients. Once the investment adviser obtains client consent, sufficient disclosure must be provided disclosing the potential conflicts of interest. Such disclosure must state that the investment advisor is acting as principal and describe the material terms of the transaction which will generally include:

- The original purchase price for any security it sells to a client;
- The price it expects to receive on the resale of the security it buys from a client; and

- The price that the security could be bought or sold at elsewhere if the price would be better for the client.

SWM does not currently allow or engage in principal transactions in advisory accounts. If this policy changes in the future, SWM will disclose that it engages in principal transactions in its Form ADV and will implement additional policies and procedures to review and monitor these transactions.

CROSS TRADES

SWM will not engage in cross transactions that involve a broker/dealer and where SWM has discretion over only one of the client accounts involved in the transaction and it, or an affiliated broker/dealer, executes the transaction for both sides in a brokerage capacity.

SWM may engage in cross trades when it is deemed to be in the best interests of the client. A cross trade occurs when a transaction is implemented between two different clients, both of which are managed by SWM. These types of cross transactions will only be used when it can be determined that doing so would achieve "best execution" and benefit the clients involved by saving commissions, market impact costs, and other transaction charges. Prior to implementing cross trades, full disclosure will be made in SWM's Form ADV.

Cross trades will not be performed if an account is subject to ERISA since it is virtually prohibited. In addition, if a client account managed by SWM is deemed to hold "plan assets", then cross trades will be prohibited regardless of whether the other side to the transaction is subject to ERISA.

POLITICAL CONTRIBUTIONS

According to Rule 206(4)-5 under the *Advisers Act*, a "contribution" is defined as "any gift, subscription, loan, advance, or deposit of money or anything of value made for: (i) the purpose of influencing an election for a federal, state or local office, (ii) payment of debt incurred in connection with any such election or (iii) transition or inaugural expenses of the successful candidate for state or local office."

A "government entity" includes "any state or political subdivision of a state including: (i) any agency, authority, or instrumentality of the state or political subdivision; (ii) a pool of assets sponsored or established by the state or political subdivision or any agency, authority or instrumentality thereof, including, but not limited to a 'defined benefit plan' as defined in section 414(j) of the Internal Revenue Code (26 U.S.C. 414(j)), or a state general fund; (iii) a plan or program of a government entity; and (iv) officers, agents, or employees of the state or political subdivision or any agency, authority or instrumentality thereof, acting in their official capacity."

Government "official" includes "any person (including any election committee for the person) who was, at the time of the contribution, an incumbent, candidate or successful candidate for elective office of a government entity, if the office: (i) is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser by a government entity; or (ii) has the authority to appoint any person who is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser by a government entity."

SEC Rule 206(4)-5 under the *Advisers Act* addresses political contributions by certain investment advisers. First, the Rule prohibits an investment adviser from providing advisory services, either directly or through a pooled investment vehicle, for two years if the investment adviser or its supervised persons have made a political contribution to an individual in a position to influence the award of a management contract. There is a de minimis exception to this rule which allows for individuals to contribute up to $350 to a candidate per election if the contributor is allowed to vote for the candidate and up to $150 per candidate per election if the contributor is not allowed to vote for the candidate. Second, the Rule prohibits an investment adviser and its supervised persons from soliciting or coordinating campaign contributions for candidates or political parties. Finally, the Rule prohibits investment advisers from paying any third party solicitor, unless the third party solicitor is an SEC registered broker/dealer or registered investment adviser who will be subject to similar pay-to-play restrictions.

Since there is the possibility that an official or candidate may be or become a client of SWM, the firm recommends that its employees do not make contributions to any elected official or candidate. However, all supervised persons of SWM are allowed to make a contribution to an elected official or candidate. If a supervised person wishes to make a political contribution, the individual must notify and obtain approval from, the CCO prior to making the political contribution. To properly notify him, the supervised person must fill out the Political Contributions Reporting Form.

ADVISORY SERVICES & FEES

FINANCIAL PLANNING & CONSULTING SERVICES

SWM's investment adviser representatives may provide financial planning and consulting services to clients. These services may cover a wide array of topics but must fall within the parameters of SWM's Form ADV. Fees for financial planning and consulting services may be charged on an hourly or a fixed fee basis, but must not exceed the fee arrangements disclosed in SWM's Form ADV. Investment adviser representatives conducting financial planning services must use an approved financial planning agreement which will disclose the nature of services being provided and the exact fee being charged. Fees for financial planning and consulting services must be payable to SWM. All financial planning and consulting services conducted by SWM's investment adviser representatives must be reviewed during annual branch inspections.

ASSET MANAGEMENT SERVICES

SWM provides asset management services on a discretionary and non-discretionary basis. Investment adviser representatives of SWM will assist clients in establishing and managing an account. Investment adviser representatives must gather information on a client's financial history, goals, objectives and financial concerns in order to assist the client in developing an asset allocation strategy. Investment adviser representatives will manage the client's account on a continuous basis based on the individual needs of the client.

Fees for asset management services will be based on the assets under management and not on the transactions in the client's account. All accounts established through the SWM asset management program will be held at qualified custodian(s). Investment adviser representatives of SWM must conform their client fees and fee billing practices to those described in the SWM's Form ADV. The exact fee and how the fee will be charged will be disclosed to the client, in the agreement for services, prior to services being provided.

MONEY MANAGERS

SWM provides advisory services by referring clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors. Third-party money managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary.

Each third-party money manager arrangement is performed pursuant to separate advisory agreement between the client and the third-party money manager.

No money manager will be used that has not previously been vetted and approved by SWM.

RELATIONSHIPS WITH INTRODUCING ADVISERS & SOLICITORS

Rule 206(4)-3 of the *Advisers Act* ("Rule 206(4)-3") sets forth certain conditions that govern the ability of an adviser to make cash payments for the solicitation of clients. These conditions apply to the adviser and the solicitor. For purposes of this Rule, a solicitor will include any person affiliated with the adviser (i.e., partners, employees, and those of its affiliated entities), as well as any other third party (i.e., attorneys, accountants, other investment advisers).

The following conditions apply to Rule 206(4)-3:

1. The adviser is registered under the *Advisers Act;*
2. The solicitor has not previously committed certain violations outlined in the *Advisers Act;*
3. The cash fee is paid pursuant to a written agreement with the adviser and a copy of such agreement is maintained by the adviser; and
4. The fee is paid to a solicitor for solicitation services regarding providing impersonal advisory services or who is a partner, supervised person, or individual with similar status of the adviser and such status is disclosed to clients; or
5. There is a written agreement with the adviser that:
    a. Describes the solicitation activities and compensation;
    b. Obligates the solicitor to comply with the adviser's policies and procedures, the *Advisers Act* and all applicable rules and regulations;
    c. Obligates the solicitor to provide the client with the adviser's disclosure brochure (Form ADV Part 2A) and a separate disclosure document that, at a minimum, contains the solicitor's name, the adviser's name, the nature of the relationship between the solicitor and the adviser, disclosure that the solicitor is compensated by the adviser for referrals, the terms and description of such compensation, and any additional fee, if any, that will be charged to the client other than the standard advisory fee.

Prior to executing an advisory contract, the solicitor must provide the adviser with a signed and dated acknowledgment from the client acknowledging receipt of the adviser's brochure and the solicitor's disclosure document.

Many states have additional regulations that govern solicitors and generally define an investment adviser representative as any individual who solicits advisory services. Therefore, solicitors may be required to register with the adviser prior to providing referral services on behalf of the adviser.

The CCO will be responsible for implementing and supervising proper policies and procedures for the firm prior to any solicitor arrangements and ensuring that

any fees paid for client referrals are consistent with the requirements of Rule 206(4)-3.

The CCO is responsible for conducting and documenting initial and annual due diligence of all solicitors. At a minimum, due diligence will include the following:

- A background check
- A credit check
- A review of state licensing rules
- A review of professional background and licenses
- A confirmation regarding whether the solicitor is affiliated with a broker/dealer and/or investment adviser
- A confirmation that the solicitor is not prohibited (as set forth under Rule 206(4)-3) from entering into the arrangement

Relationships where SWM advisors act as Solicitors for other Advisors

Some advisors may act as solicitors to other Registered Investment Advisors (RIA's) and receive a fee. In order for this to take place, the outside RIA must be approved by SWM and there must be a solicitation agreement in place between SWM and the outside RIA. SWM advisors are required to obtain the following documents from any clients that they solicit:

- SWM Account information Form
- SWM Investment Management Agreement
- Valid copy of government identification
- Any paperwork required by the outside RIA

All documents must be approved by compliance before being submitted to the outside RIA.

DUE DILIGENCE

Pursuant to Section 206 of the *Investment Advisers Act*, SWM has a duty to its clients to conduct a reasonable investigation concerning any third parties hired to work on behalf of the firm. To comply with this duty, SWM will implement a system to conduct a due diligence review of any third party hired to work on behalf of, or provide services to the firm. These procedures will be reasonably designed to ensure that each third party is properly investigated before an agreement is signed with the third party and before the third party does work on behalf of SWM.

SWM must make a determination of the scope of its investigation based upon the unique facts and circumstances. The fact that SWM's clients may be sophisticated and knowledgeable does not mitigate its duty to investigate any third party. Further, SWM may not rely blindly upon the third party for information concerning the third party's company in lieu of SWM conducting its own reasonable investigation.

While there are no "iron clad" rules as to what SWM must do to satisfy the due diligence requirements, the presence of any "red flags" must alert SWM to the need for further inquiry. Red flags might arise from information that is publicly available or information that is discovered during the course of the investigation. When presented with red flags, SWM must do more than simply rely upon representations by the third party's management or the due diligence report of the third party's counsel. SWM's responsibility to conduct a reasonable investigation will obligate it to follow up on any red flags that it encounters during its inquiry as well as to investigate any substantial adverse information about the third party.

To demonstrate that it has performed a reasonable investigation, SWM will retain records documenting both the process and results of its investigation. Such records may include descriptions of the meetings that were conducted in the course of the investigation, the tasks performed, the documents and other information reviewed, the results of such reviews, the date such events occurred and a record of which individuals conducted the reviews or attended the meetings.

BROKER/DEALERS

Prior to recommending a broker/dealer, SWM will conduct a full due diligence investigation and will ensure that clients receive best execution. The CCO is responsible for conducting and documenting the initial due diligence review of each broker/dealer. In order to ensure that SWM has fully satisfied its investigation responsibilities, the initial investigation of a broker/dealer will, at a minimum, include the following:

- Conduct a background check of the broker/dealer via FINRA Broker Check;
- Review the broker/dealer's trading expertise;

- Examine the execution capabilities;
- Review the range and quality of services available;
- Verify the willingness and ability to commit capital;
- Investigate access to underwriting offerings and secondary markets;
- Review the reliability in executing trades and keeping records;
- Verify the firm shows fairness in resolving disputes;
- Verify timeliness of trade execution;
- Examine the responsiveness of all parties involved in trade execution; and
- In relation to particular transactions, review the character of the market for the security (e.g., price, volatility, relative liquidity, and pressure on available communications), the size, and type of the transaction.

THIRD-PARTY MONEY MANAGERS

Prior to entering into an agreement with a third-party money manager, SWM will conduct a due diligence investigation into the third-party money manager and its business practices. The COO is responsible for conducting and documenting the initial and annual due diligence review of each third-party money manager. The initial investigation of a third-party money manager will, at a minimum, include the following:

- Review the money manager's entire Form ADV
- Review disclosure brochures, marketing material, and client agreements;
- Review the money manager's due diligence kit (if applicable);
- If the firm has a pre-determined minimum amount for assets under management, verify that the firm meets this requirement;
- Verify that the money manager maintains errors and omissions insurance, a fidelity bond, and/or an ERISA fiduciary bond;
- Review the firm's most recent regulatory examination letters (if firm will provide);
- Review Form U4 disclosures for the firm's officers, directors and portfolio managers to analyze any reported regulatory actions, criminal actions, civil actions, customer complaints, arbitrations, and financial disclosures;

- Review the money manager's past performance and measure that performance against various indexes;
- Verify that the firm has proper disclosure regarding its past performance;

The CCO will conduct an annual review to examine any material changes the money manager has made in its business practices since the last due diligence review. During this review, The CCO will review the third-party money manager's annual internal or external audit, any regulatory reviews or examinations, and any arbitrations or disciplinary actions taken against the money manager.

VENDORS

SWM outsources various business functions and must be diligent in the selection and monitoring of services provided. The due diligence performed by SWM must determine if the vendor is capable of performing the outsourced activity while maintaining the integrity and privacy of any financial data.

On an ongoing basis, SWM must monitor the vendor's adherence to the terms of any agreement and assess the vendor's continued fitness and ability to perform these services. SWM must also verify that regulators have direct access to data should the need arise. The Vendor Due Diligence Worksheet will be used to perform and document ongoing vendor due diligence.

SWM will also maintain a Vendor List containing the name, address, phone number, web address, contact person and brief description of services provided.

COMPLAINTS AND INVESTIGATIONS

COMPLAINTS

SWM takes all customer complaints seriously. It is SWM's policy to respond to all verbal and written complaints regarding possible sales practice violations, suspicious activities, or operational problems/concerns regarding its advisory accounts whether regarding a current or past affiliation. A customer complaint can be defined as:

> *Any written or verbal statement of a client or any person acting on behalf of a client alleging a grievance involving the activities of those persons under the control of SWM in connection with, but not necessarily limited to, the solicitation or execution of any transaction, the disposition of securities or funds of that client, or any advisory services provided by SWM.*

Because the severity of a client complaint can be very subjective, supervised persons are encouraged to report any complaints they believe falls outside the scope of a general customer service grievance. The recipient of a complaint needs to notify the CCO who will research the complaint allegations and gather additional information and documentation.

The CCO will determine if the compliant is an internal issue only or must be reported to outside parties such as SWM's E&O carrier, regulatory bodies, or outside counsel. Supervised persons are required to respond to any request from The CCO necessary to investigate or determine liability regarding the allegations in a timely manner.

The CCO will be responsible for ensuring that all customer complaints are handled in accordance with all applicable laws, rules and regulations. A file including the following items will be maintained for each complaint received:

1. A copy of the original complaint received;
2. The date the complaint was initially received;
3. Identification of all representatives providing any form of service on the account;
4. Copies of all correspondence to or from the client in relation to the complaint; and
5. A written report of any actions taken in response to the complaint in addition to all documentation necessary to properly respond to the allegations.

If it is determined that the complaint is a reportable event according to any advisory rules and regulations, then, as necessary, the Form U4 and the Form ADV will be updated immediately by The CCO.

REGULATORY EXAMINATIONS

During an SEC regulatory examination, the team of examiners will review various items, including compliance with recordkeeping requirements, soft-dollar and referral arrangements, regulatory and client disclosures, custody issues, performance reporting, advertising practices, trade errors, and conflicts of interest. All investment advisers should anticipate that the SEC will review the adviser's "best execution" practices including policies, procedures and corresponding client disclosures relative to allocation, bunching, effecting transactions for client accounts through broker-dealers that refer clients to the adviser, directed brokerage arrangements, suitability determination, access persons' personal securities transactions, and IPO allocation policies. The SEC also requires the preparation and implementation of written contingency/disaster policies and procedures.

All supervised persons play an integral role in implementing SWM's compliance policies and procedures and it is fully expected that all supervised persons will need to assist in preparing and participating in an SEC examination. It is critical for supervised persons to recognize compliance is an ongoing and constantly evolving process that requires reviews, updates, and amendments of advisory filings, disclosures, and procedures. It is SWM's intent to be proactive with respect to compliance matters.

In order to prepare for an SEC examination, SWM conducts periodic assessments of its compliance programs. In addition, SWM may contract with outside parties to perform annual review services or mock regulatory examinations on an as-needed basis. The purpose of periodic assessments and any mock regulatory examination is to prepare SWM for an actual SEC examination.

All supervised persons are expected to participate in compliance program assessments and mock regulatory examinations, as applicable. The CCO will be ultimately responsible for documenting and organizing assessments and mock regulatory examinations, but he relies on each supervised person depending upon the supervised person's duties and functions.

INVESTIGATIONS

Regulatory bodies may initiate investigations in regard to an event that is required to be disclosed on the Form U4, Form U5 or a customer complaint. Any supervised person receiving notice of an investigation must report it to the CCO immediately. Supervised persons will supply all requested information and documentation to him promptly. He will be responsible for preparing a final response to all regulatory matters.

HANDLING WHISTLEBLOWER COMPLAINTS

Pursuant to the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, SWM has adopted the following procedures for receiving and reviewing employee whistleblower complaints.

All employee complaints concerning violations of the *Advisers Act* or any other provision of law, rule, order, standard, or prohibition prescribed by the SEC or any state securities authority should be reported to the CCO. SWM encourages employees to submit complaints to the firm before contacting the SEC or other regulatory agencies. This will give SWM the opportunity to begin investigating the problem as quickly as possible and may increase the amount of the award given to the whistleblower. Complaints may be reported anonymously, however, the CCO will request that the employee put the complaint in writing, and include the exact nature, scope and breadth of the accusation.

Once the CCO has received a complaint, the CCO will form an advisory committee consisting of the following persons:

> A designated group of people within the company from various departments, assembled specifically to handle whistleblower complaints

Once formed, the advisory committee will quickly investigate the complaint by obtaining all relevant documents and interviewing the appropriate personnel. If the whistleblower is identifiable, the advisory committee will continually keep the whistleblower informed as to the progress of the investigation but will maintain confidentiality.

After the advisory committee has reviewed the complaint, the committee will determine the appropriate action to take to remedy the situation. SWM will maintain records which contain all the information submitted with the complaint and a report or memorandum detailing the investigation and the actions taken by the advisory committee as a result of the complaint.

Sixty days after an employee files a complaint, the CCO will follow up with the employee to ensure the employee has not been retaliated against. If the employee reports retaliation, the CCO should initiate a follow up investigation by repeating the same procedure as above. If the retaliation was caused by an individual involved in the original review process, that individual will not be involved in the retaliation investigation.

To track employee retaliation, SWM will maintain a confidential record keeping system that will enable it to track the employment history of those employees who have filed whistleblower complaints so that SWM can track whether those employees were treated fairly. This record keeping system will also be used to ensure that the anti-retaliation protections are not being abused by any employees of SWM.

RETALIATION PROHIBITED

SWM will not discharge or in any other way discriminate against any employee because the employee, whether at the initiative of the employee or in the ordinary course of the duties of the employee, has:

1. Provided, caused to be provided, or is about to provide, information to SWM, the SEC, any state securities authority, or any other state, local, or federal government authority or law enforcement agency in relation to any violation of the *Advisers Act*, or any other provision of law, rule, order, standard, or prohibition prescribed by the SEC or any state securities authority;

2. Testified or will testify in any proceeding resulting from the administration or enforcement of any provision of the *Advisers Act*, or any other provision of law, rule, order, standard, or prohibition prescribed by the SEC or any state securities authority;

3. Filed, instituted, or caused to be filed or instituted any proceeding under the *Advisers Act*, or any other provision of law, rule, order, standard, or prohibition prescribed by the SEC or any state securities authority; or

4. Objected to, or refused to participate in, any activity, policy, practice, or assigned task that the employee reasonably believed to be in violation of the *Advisers Act*, or any other provision of law, rule, order, standard, or prohibition prescribed by the SEC or any state securities authority.

SWM will not tolerate any retaliation against employees for reporting complaints. If any employee believes that he or she has been discharged or otherwise discriminated against by SWM or any of SWM's employees, that employee may file a complaint with the Secretary of Labor alleging discharge or discrimination and identifying the individual responsible for such act. The complaint will be filed not later than 180 days after the date on which such violation occurs.

CLIENT COMMUNICATIONS

OVERVIEW

Client communications are an important part of SWM's business practices and operations. SWM's client communications come in various forms, which include advertising, seminars, one-on-one meetings, written correspondence, and verbal correspondence. It is important for all supervised persons to understand and comply with the procedures outlined in this section as all supervised persons will potentially communicate with SWM's clients.

Detailed rules under the *Advisers Act* govern the use of advertising by SWM. In particular, Rule 206(4)-1 prohibits an investment adviser from using advertising or sales literature that:

(i) Refers to any testimonial concerning the investment adviser or any service rendered by the investment adviser;

(ii) Refers (except in certain circumstances) to past specific recommendations of the investment adviser that were or would have been profitable;

(iii) Represents that any graph, chart, or formula offered by the investment adviser can be used to determine which securities to buy or sell, or when to buy or sell them, unless the advertisement contains prominent disclosures as to the limitations of such graphs, charts, or formula and the difficulties with respect to their use;

(iv) States that any report or service will be furnished free unless the report or service will in fact be furnished entirely free (i.e., without any condition or obligation); or

(v) Contains a false or misleading statement of a material fact.

DEFINITIONS

Advertising - Material published, or designed, for use in newspaper, magazine or any other periodical, radio, television, telephone or tape recording, videotape display, signs or billboards, motion pictures, telephone directories, electronic or other public media. This also includes letterhead and business cards. This material is distributed to the public in which there is NO audience control.

Pursuant to Rule 206(4)-1, advertising will include any written communication addressed to more than one person or any notice or announcement in any publication or by radio or television that offers any analysis, report or publication regarding securities, any graph, chart, formula or other device for making securities decisions or any other investment advisory services regarding securities.

Generally, Rule 206(4)-1 will include any material designed to maintain existing clients or to solicit new clients, any form letter and, most likely, any standardized written material booklets used for presentations to prospective clients or investors.

Correspondence - Any communication by letter or electronic mail sent to or received from a client or potential client. Correspondence is designed for one individual to address specific issues for that client or potential client. Correspondence includes performance reports and quarterly client position reports.

Broker-Dealer/Investment Adviser Use Only – SWM's advertising or sales literature that is intended for institutional use only must include the following footer "Broker-Dealer/Investment Adviser Use Only". Materials generated under this category are not meant to be viewed by the retail public. These materials are intended for financial professionals only. It is assumed financial professionals have a higher level of sophistication. However, SWM believes "Broker-Dealer/Investment Adviser Use Only" materials may eventually be presented to clients and therefore, SWM's policy is to require that both retail and institutional materials follow SWM's advertising guidelines.

ADVERTISING AND MARKETING MATERIALS

Some examples of marketing materials used by SWM include:

- Newsletters (whether sent in hard copy or by email)
- Emails sent to more than one person
- Reprints of articles published in any periodicals
- Standardized written materials in booklets used for presentations
- Marketing brochures and pamphlets
- Paid advertisements on television, radio, and other mediums
- Other mass mailings such as notices and circulars
- Social networking websites such as LinkedIn, and Twitter

Before any marketing materials or advertising concerning SWM or its services is published or distributed to (a) clients or prospective clients, (b) advisers, (c) broker/dealer executives, or (d) other institutional entities, the material must be reviewed and approved by the CCO. Supervised persons that are responsible for reviewing and approving marketing materials and advertising are required by SWM to be licensed as an investment adviser representative under SWM. Materials prepared and generated by SWM are approved by the CCO.

At least quarterly, The CCO will conduct a spot check of the advertisements issued during the previous quarter. A cross-check will also be done to ensure the content of materials not receiving specific approval contain only pre-approved

language. As part of the annual assessment, The CCO will review the entire advertising review process to determine its adequacy.

The CCO will review marketing pieces to determine their consistency with established regulatory requirements and SWM's policies. Specifically, the following conditions must be followed:

- Marketing materials cannot contain any untrue statements of material facts or any statement that is false or misleading.
- Marketing materials cannot contain any guarantees (or promises) or include language that can be construed as a guarantee.
- Marketing materials cannot contain any statements, graphs, or charts that cannot be fully supported, sourced, and documented.
- When presenting an opinion, the marketing material must clearly indicate the statement is an opinion or assumption of SWM and not presented as fact.
- Marketing materials should not include "absolute" language that cannot be proven. For example, it would be incorrect to state that "all people want to retire by 65," "all investors want income and growth," or "the best way to grow your portfolio is through dividend investing." These are examples of statements that cannot be proven, but could easily be amended to not be interpreted as "absolute" statements, such as by stating, "many investors are looking to retire at 65," "based on our experience, many investors are looking for income and growth," and "it is our opinion that dividend investing can be a proven form of investing given an investor's goals and suitability."
- Marketing materials cannot refer, directly or indirectly, to a testimonial of any kind concerning SWM or any advice, analysis, report or other service it provides. Testimonials are generally defined as any form of endorsement relating to the adviser's services or performance.
- Marketing materials cannot use any advertisement that refers, directly or indirectly, to past specific profitable recommendations, unless the advertisement includes a list of all recommendations made by SWM. However, an advertisement may offer to furnish a list of all such recommendations as long as the advertisement does not contain any reference to any past specific recommendations. Upon The COO's approval, SWM may provide information in reports or advertisements about a limited number of recommendations so long as certain conditions are met to ensure that the presentation would be objective and not misleading. These conditions include:

    1. Using consistent and objective, non-performance based criteria in selecting the securities that will be discussed in the advertisement

(e.g. the largest positions held or dollar amount of purchases or sales);

2. Not discussing any realized or unrealized profits or losses;
3. Providing certain additional cautionary disclosures; and
4. Maintaining records regarding all recommendations and the selection criteria used in determining the securities discussed.

- The SEC would not object to an adviser providing existing clients and investors with performance information about securities so long as the securities are, or were recently held by each client that the information is sent to, and the information contained in the document does not suggest that the purpose of the communication is to promote any advisory services.
- All advertising that references past specific recommendations will include the following disclosure on the first page of the list in a typeface at least as large as the largest print text used in the document:

  "It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list."
- SWM will not use any advertising that represents that a graph, chart, formula or other device can be used to determine which securities a client should buy or sell or when a client should buy or sell them. In addition, advertisements will not be used that suggest that any graphs, charts, formulas, or other devices can assist the client in making the client's own decisions regarding securities purchases, sales or the timing of such, unless the advertisement prominently discloses the limitations and difficulties regarding the use of such documents or information. Advertisements will not contain any statements that a report, analysis, or other service will be or are furnished free of charge, unless such items are provided free of charge and without any additional conditions or obligations.
- The SEC prohibits an adviser from representing or implying that it has been approved or endorsed by the SEC. When creating marketing material, supervised persons are not allowed to use the designation of "RIA" or "IA" after SWM's name or after the name of any investment adviser representative associated with it. Registered investment adviser will not be abbreviated "RIA" on any advertising material. Supervised persons are not allowed to indicate or imply SWM or any of its investment adviser representatives have been approved, sponsored or recommended by any state or federal agency. In addition, supervised persons are not allowed to indicate that any special qualifications for registration have been met.
- Hedge clauses may only be used pertaining to the accuracy or reliability of the information disclosed in the document. Any hedge clause used in

advertising material will state the information was obtained from sources believed to be reliable but the accuracy of the information cannot be guaranteed. However, supervised persons are not allowed to use language in any material that will lead the client to believe that the client is giving up any of their legal rights. In addition, supervised persons may not use any hedge clauses that would attempt to alleviate the supervised person or SWM from any advisory or securities rules or regulations.

The requirements set forth above apply not only to materials that are to be addressed or distributed to more than one client or prospective client, but to all materials to be provided at one-on-one conferences with clients or prospective clients. All questions concerning whether a given communication constitutes advertising or sales literature or whether any certain marketing materials or advertising have been approved for distribution should be directed to The COO.

CCO is responsible for maintaining all marketing materials. The following documentation must be maintained:

- Copy of the original marketing piece.
- Documentation of the approval, and any review comments provided by the COO.
- A list of all clients receiving the marketing material or a description of the intended audience when not distributed to a specific mailing list.
- All evidence to support any claims, facts, or information presented in a marketing piece.
- Any other information The CCO deems relevant.

PERFORMANCE MARKETING

SWM does not use performance marketing in its overall marketing strategy. Although the SEC has not adopted any standardized performance advertisement requirements, it has issued a series of staff no-action letters, supported by several enforcement actions that provide some guidelines for performance advertising.

If SWM includes performance information in its marketing materials, the information must be presented fairly along with the appropriate disclosures described in the *Clover Capital Management, Inc. (Clover),* SEC No-Action Letter (Oct. 28, 1986). The CCO must ensure each performance marketing piece avoids misleading readers according to the parameters set forth under *Clover*, as listed below:

- Failing to disclose the effect of material market or economic conditions on the results portrayed.
- Failing to reflect the deduction of advisory fees, brokerage commissions and other expenses that the client would have paid or actually paid in any model or actual results. This is referred to as net-of-fee performance. It is the policy of SWM that all retail

performance marketing materials must be prepared net-of-fees. Gross-of-fee performance may be presented to retail clients as long as net-of-fee performance is presented equally or more prominently then gross-of-fee performance. Gross-of-fee performance may be used on institutional performance marketing so long as SWM can ensure a controlled audience. If there is any doubt that a marketing piece's audience cannot be retained within a broker-dealer/investment adviser only audience, net-of-fee performance numbers must be presented.*

- Failing to disclose whether and to what extent the results portrayed reflect the reinvestment of dividends and other earnings.
- Suggesting or making claims regarding potential profits without also disclosing the possibility of loss.
- Comparing model or actual results to an index without disclosing all material facts relevant to the comparison.
- Failing to disclose any material conditions, objectives, or investment strategies used to obtain the performance results portrayed in the advertisement.
- Failing to prominently disclose the limitations inherent in the model results, particularly the fact that results do not represent actual trading.
- Failing to disclose, if applicable, material changes in conditions, objectives, or investment strategies of the model portfolio during the period portrayed and the effects of the change on the results portrayed.
- Failing to disclose, if applicable, that any of the securities or strategies reflected in the model portfolio do not relate or partially relate to the type of advisory services currently offered by the adviser.
- Failing to disclose, if applicable, that the adviser's clients actually had investment results materially different from those portrayed in the model.
- Failing to disclose, if applicable, that the performance results portrayed are only for a select group of clients, the basis on which the selection was made and the effect of this practice on the results portrayed (if material).

*The SEC has provided guidance that in most cases the performance data shown must be presented net of fees. Since clients may pay different fees, advisers have been permitted to advertise performance that deducts the highest fee charged to any client in the composite results shown without the need to calculate the actual fee each client account paid. However, disclosure must be made indicating how the performance fee was calculated. In addition, if an adviser presents performance results on a net basis the adviser may also show performance on a gross basis, so long as the gross results do not have greater emphasis than the net results.

Another limited exception to the *Clover* net of fee requirement was provided through a no-action letter to the *Investment Company Institute* for certain presentations to wealthy clients. In this no-action letter, the SEC staff granted an

exemption to allow the use of gross performance-based fees in one-on-one presentations to wealthy individuals, pension funds, universities, and other institutions, provided that certain conditions are met. At the time of the one-on-one presentation, the adviser must provide written disclosure to the client that includes the following:

- Disclosure that the performance results do not reflect the deduction of investment advisory fees;
- Disclosure that the client's return will be reduced by the advisory fees and other expenses it may incur in the management of the client's advisory account;
- Disclosure that the advisory fees are described in the adviser's Form ADV Part 2A; and
- A representative example, such as a table, chart, graph, or narrative, that shows the effect of compounding advisory fees, over a period of years, on the value of the client's portfolio.

The CCO is responsible for maintaining all performance marketing materials in the same manner as general marketing materials.

The CCO is responsible for compiling, documenting, and maintaining all supporting evidence regarding information presented in performance marketing for at least five (5) years after the date of publication. Proper documentation must be preserved for all years presented in a performance marketing piece. Per the books and records requirements under Rule 204-2, The COO will ensure maintenance of "all accounts, books, internal working papers, and any other records or documents that are necessary to form the basis for or demonstrate the calculation of the performance or rate of return of any or all managed accounts or securities recommendations in any notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication that the investment adviser circulates or distributes, directly or indirectly, to 10 or more persons (other than persons connected with SWM); *provided, however,* that, with respect to the performance of managed accounts, the retention of all account statements, if they reflect all debits, credits, and other transactions in a client's account for the period of the statement, and all worksheets necessary to demonstrate the calculation of the performance or rate of return of all managed accounts will be deemed to satisfy the requirements of this paragraph.

ELECTRONIC COMMUNICATIONS AND RETENTION

Rule 204-2(a)(7) of the *Advisers Act* requires SWM to preserve, "all written communications received and copies of all written communications sent by such investment adviser relating to (i) any recommendation made or proposed to be made and any advice given or proposed to be given, (ii) any receipt, disbursement or delivery of funds or securities, or (iii) the placing or execution of any order to purchase or sell any security . . ." For purposes of this rule, the SEC has stated

that electronic communications are considered written communication and are therefore subject to regulatory supervisory and record keeping requirements.

SWM has established policies and procedures to cover electronic communications for the firm. The CCO is responsible for conducting training to ensure all supervised persons of SWM are aware of, understand, and follow the firm's electronic communication policies and procedures. He is responsible for implementing, monitoring, and periodically testing the policies and procedures.

The CCO is responsible for monitoring and reviewing all electronic communications, including those that are personal in nature, received or sent from SWM's electronic communications system. All communications sent to or from the firm's email system can be viewed at any time and are the property of SWM. In addition, while the SEC has specific jurisdiction over communications concerning securities and investment advisory services, the SEC has publicly announced its expectation to have access to and review all email sent and received from an adviser firm. This includes email falling outside the definition of Rule 204-2(a)(7). Therefore, SWM strongly discourages its supervised persons from receiving or sending non-business related emails from SWM's email system. Supervised persons may not send any business related communications from a personal computer. In order to meet SEC requirements, the following email retention procedures have been established by SWM:

- All incoming and outgoing email of SWM will be electronically stored and archived.

- All incoming and outgoing email of investment adviser representatives relating to any recommendations or advice, receipt/disbursement/delivery of funds or securities, or the execution to buy or sell a security will be electronically stored and archived.

- All incoming and outgoing email to or from any clients will be electronically stored and archived.

- All emails regarding investment recommendations and decisions will be electronically stored and archived.

SOCIAL MEDIA AND NETWORKING WEBSITES

SWM or its supervised persons use the following social media websites to contact clients or for other business purposes:

- Twitter
- LinkedIn
- Personal Blogs

In order to comply with the requirements of the *Advisers Act*, SWM has adopted the following policies and procedures:

- SWM has established an internal training program for employees' use (both personal and business-related) of social media websites.
- All client communication is documented and stored by SWM in accordance with the "Electronic Communication and Retention" section of this manual.
- SWM acknowledges that social media websites are considered to be a form of advertising. Therefore, in order to comply with Rule 206(4)-1 of the *Advisers Act*, no social media accounts can contain the publication or posting of any client testimonials. For example, supervised persons are prohibited from showing recommendations on their LinkedIn page. Further, SWM will not publish any testimonials or third-party advertisements that attest to SWM's conduct as an adviser.
- Supervised persons will not use social media to make any untrue statements or any statements that are otherwise false or misleading.
- Supervised persons are prohibited from using social media for inappropriate purposes. This includes prohibitions against posting copyrighted or offensive material, or using social media to defame or slander others.
- All client information will be kept confidential and will not be shared via any social media website.
- SWM management personnel will have access to any social media account that is used for business purposes, including employees' personal accounts if they are used for any business purposes. Management personnel will monitor all client communication that occurs through social media websites and will conduct periodic reviews to ensure that all supervised persons are adhering to SWM's policies and procedures.
- SWM uses the archiving service Global Relay to supervise social networking sites and to document all client communication.
- When a supervised person is no longer associated with SWM, they will cease using social media to interact with SWM's clients.

If a supervised person of SWM does not adhere to these policies, the supervised person will be prohibited from using social media websites and may face further disciplinary actions.

The CCO will be responsible for making sure that all advisory personnel fully understand SWM's policies and procedures regarding social media and networking websites and that a review system is established to make sure that these policies and procedures are effective and adhered to by all advisory personnel.

CORRESPONDENCE

Supervised persons are allowed to send correspondence to clients and potential clients. Supervised persons are responsible for ensuring that all correspondence is in compliance with all applicable rules and regulations. When sending correspondence to clients or potential clients, supervised persons must ensure comments do not contradict the parameters set forth under the **Advertising and Marketing Materials** section of this policy. Supervised persons not approved as investment adviser representatives ***are not allowed*** to provide any recommendations or investment advice, provide any commentary on a client's account performance, provide any commentary on SWM's overall performance, or include any other language that may be construed by the client or potential client, SWM, or regulators as providing investment advice.

Supervised persons must ensure all correspondence received from or sent to a client or potential client is maintained as part of SWM's books and records.

Samples of correspondence will be reviewed and approved by the CCO during each annual branch inspection.

CORRESPONDENCE – PERFORMANCE REPORTS

The following types of reports will be considered performance reports or position reports:

- Any report generated by the investment adviser that is provided or shown to a client summarizing the information contained on one or more account statements generated by the brokerage firm, mutual fund, or insurance company holding client assets and any other client assets included in the report, such as real estate or personal property.
- Any report generated by the investment adviser providing the client with the performance of or a listing of investments in the client's portfolio over a specified period of time or the value of the client's investments as of a specified date. Some examples include an Advent/Axys performance report, db Cams report, Centerpiece report, Portfolio Center report, Excel spreadsheet report, Principia Pro Snapshots, a balance sheet, statement of net worth, listing of assets, graphs, and charts. This also includes showing a client the computer screen of the above described information.
- Any reports generated by the investment adviser of the periodic performance of the investment adviser.
- Any financial planning software or asset allocation program used at the initial meeting, when prospecting for a client, would be considered a sales or marketing tool. Using the same program to update the value of the client's portfolio at subsequent meetings with the client would be considered a position report.

A sample of performance reports will be reviewed by the designated supervisor during the branch inspection. The designated supervisor will review performance reports to ensure regulatory compliance, data accuracy, and adherence to supervisory procedures. Evidence of this review will be noted in the branch inspection report.

ANTI-MONEY LAUNDERING

It is SWM's policy to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the unlawful proceeds appear to have derived from legitimate origins or constitute legitimate assets. Generally, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash generated from criminal activities is converted into monetary instruments, such as money orders or traveler's checks, or deposited into accounts at financial institutions. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to further separate the money from its criminal origin. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund other criminal activities or legitimate businesses. Terrorist financing may not involve the proceeds of criminal conduct, but rather be an attempt to conceal the origin or intended use of the funds, which will later be used for criminal purposes.

Any unusual or suspicious activity that may appear to be a violation of any anti-money laundering laws must be reported to the CCO. He will be responsible for investigating the potential money laundering activity and, if he determines there has been a violation of any anti-money laundering law, rule or regulation, he will contact the proper regulatory authorities.

The following is a list of potentially suspicious activities that has been generated by the Financial Industry Regulatory Authority ("FINRA"). While SWM is not a FINRA member and its advisory activities are not subject to FINRA's jurisdiction, the information provided by FINRA is a good reference. All supervised persons of SWM detecting any of the following suspicious activities must notify the CCO:

- The customer exhibits unusual concern about the firm's compliance with government reporting requirements and the firm's anti-money laundering policies (particularly concerning his or her identity, type of business and assets), or is reluctant or refuses to reveal any information concerning business activities, or furnishes unusual or suspicious identification or business documents.
- The customer wishes to engage in transactions that lack business sense or apparent investment strategy, or are inconsistent with the client's stated business or investment strategy.
- The information provided by the customer that identifies a legitimate source for funds is false, misleading, or substantially incorrect.
- Upon request, the customer refuses to identify or fails to indicate any legitimate source for his or her funds and other assets.

- The customer (or a person publicly associated with the customer) has a questionable background or is the subject of news reports indicating possible criminal, civil, or regulatory violations.
- The customer exhibits a lack of concern regarding risks and transaction costs.
- The customer appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity.
- The customer has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry.
- The customer attempts to make frequent or large deposits of currency, insists on dealing only in cash, or asks for exemptions from the firm's policies relating to the deposit of cash.
- The customer engages in transactions involving cash or cash equivalents or other monetary instruments that appear to be structured to avoid the $10,000 government reporting requirements, especially if the cash or monetary instruments are in an amount just below reporting or recording thresholds.
- For no apparent reason, the customer has multiple accounts under a single name or multiple names, with a large number of inter-account or third-party transfers.
- The customer is from, or has accounts in, a country identified as a non-cooperative country or territory by the Financial Action Task Force.
- The customer's account has unexplained or sudden extensive wire activity, especially in accounts that had little or no previous activity.
- The customer's account shows numerous currency or cashier’s check transactions aggregating to significant sums.
- The customer's account has a large number of wire transfers to unrelated third parties inconsistent with the customer's legitimate business purpose.
- The customer's account has wire transfers that have no apparent business purpose to or from a country identified as a money laundering risk or a bank secrecy haven.
- The customer's account indicates large or frequent wire transfers, immediately withdrawn by check or debit card without any apparent business purpose.
- The customer makes a funds deposit followed by an immediate request that the money be wired out or transferred to a third party, or to another firm, without any apparent business purpose.
- The customer makes a funds deposit for the purpose of purchasing a long-term investment followed shortly thereafter by a request to liquidate the position and transfer the proceeds out of the account.

- The customer engages in excessive journal entries between unrelated accounts without any apparent business purpose.
- The customer requests that a transaction be processed to avoid the firm's normal documentation requirements.
- The customer, for no apparent reason or in conjunction with other red flags, engages in transactions involving certain types of securities, such as penny stocks, Regulation S stocks, and bearer bonds, which although legitimate, have been used in connection with fraudulent schemes and money laundering activity. (Such transactions may warrant further due diligence to ensure the legitimacy of the customer's activity.)
- The customer's account shows an unexplained high level of account activity with very low levels of securities transactions.
- The customer maintains multiple accounts, or maintains accounts in the names of family members or corporate entities, for no apparent purpose.
- The customer's account has inflows of funds or other assets well beyond the known income or resources of the customer.

SCHEDULE 13 FILINGS

If an investment adviser has investment discretion (i.e., the power to determine without prior approval from the client which securities are bought or sold for the client account(s) under management or decisions are made about which securities are bought or sold for the account(s) under management, even though someone else is responsible for the investment decisions) over $100 million or more of individual equity securities, the investment adviser may be required to file quarterly reports with the SEC on Form 13F under the *Securities Exchange Act of 1934*. In addition, if the investment adviser beneficially owns 5% or more of a class of a registered company's equity securities, it may be required to file a Schedule 13D or a Schedule 13G under the 1934 Act.

Currently, SWM does not need to file a Form 13F, Schedule 13D or Schedule 13G. The CCO is responsible for determining whether SWM is required to make such filings, and, if SWM is so required, is responsible for ensuring that such filings are timely made.

EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 ("ERISA")

The *Employee Retirement Income Security Act of 1974* ("ERISA") is designed to protect plan beneficiaries and participants from problems and abuses. ERISA imposes significant responsibilities on persons who manage or provide advisory services to employee benefit plans. Investment Adviser responsibilities are not solely governed by the SEC or the *Advisers Act* but, also, the U.S. Department of Labor's rules for ERISA accounts.

An ERISA plan is defined as any qualified plan. An employee benefit plan is typically covered under ERISA unless it is:

1. An individual retirement account or annuity established by an individual employee to which his/her employer does not make any contributions
2. A plan that covers only the sole owner of a business (incorporated or unincorporated) and/or his/her spouse
3. A partnership pension plan that covers only partners and their spouses
4. A governmental plan

Accounts established by pension plans, profit sharing plans and 401(k) plans would be considered ERISA accounts.

An investment adviser representative to an ERISA plan must adhere to the Prudent Man Standard (ERISA 404(a)), which generally requires an adviser representative to act solely in the interest of the plan with the skill, care, prudence and diligence of a prudent man. The Prudent Man Standard looks to the total performance of the entire portfolio rather than to the actual performance of any particular investment. An adviser representative will be deemed to have satisfied the Prudent Man Standard if the adviser representative has given appropriate consideration to the facts and circumstances the investment adviser representative should know are relevant, including the role the investment plays in the plan's investment portfolio. This is often referred to as the "prudent expert" rule.

Under ERISA, investment advisers have special fiduciary responsibilities. ERISA imposes numerous obligations on fiduciaries as well as prohibits many transactions that could raise conflict of interest issues. An investment adviser and its representatives have special fiduciary obligations under ERISA. These responsibilities include:

- Acting solely in the interests of the participants and their beneficiaries;
- Defraying the expenses of administration of the plan;
- Acting with the care, skill, prudence, and diligence that a prudent man would use in the same situation;
- Diversifying plan investments to reduce the risks of large losses unless it is clearly not prudent to do so; and

- Acting according to the terms of the plan documents; to the extent the documents are consistent with ERISA.

When acting as an investment adviser to an ERISA plan, an investment adviser may not impose or cause the plan to pay dual fees to the adviser or any other interested party without being subject to additional reporting requirements.

Prior to acting as the adviser for an ERISA plan, an investment policy statement should be created by the advisor. The investment policy, at a minimum, must do the following:

- Define the purpose of the plan;
- Set forth suitability standards;
- Establishes risk parameters, return requirements; and
- Establish portfolio diversification standards.

If SWM or any of its investment adviser representatives violate any of the standards imposed by ERISA, they will be personally liable to reimburse the plan for any losses resulting from the violation. This would also include reimbursing the plan for any income loss as a result of breaching the adviser's fiduciary duty. SWM will impose appropriate disciplinary actions for any violations to ERISA laws.

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

Sandlapper Wealth Management, LLC ("SWM") has developed this Business Continuity and Disaster Recovery Plan (the "Plan") in order to provide guidance regarding the steps and actions that should be taken in the event of an unanticipated interruption of normal business operations. This document will outline the triggers for when alternate business processes need to be deployed, the steps to deploy the alternate business processes, the methods for verifying that business has been properly restored and ensuring data integrity and activities for returning to normal business processing. This Plan will help safeguard employees' lives and firm property, allow a method of making financial and operational assessments, recover and resume business operations in a rapid and efficient manner, protect firm books and records, continue to allow clients to transact business at all times and provide clients with access to their funds and securities in the event the firm determines that it cannot continue to do business.

SWM has designated the following individuals as members of the Business Continuity Team:

- ***Trevor Gordon, CEO, (864) 679-4701,*** tgordon@sandlapperwealth.com
- ***Mark Reinstein, President, (864) 679-4701,*** *mreinstein@sandlapperwealth.com*
- ***Bjorn Jordan, CCO (864) 679-470,*** *bjordan@sandlapperwealth.com*
- ***Brooke Jones, Operations Manager, (864) 679-4701,*** bjones@sandlapperwealth.com

These team members are designated as the main emergency contact persons for the firm. The team members designated above will be responsible for developing the Plan. The CEO will have the responsibility for approving the plan and ensuring that a review is conducted on at least an annual basis. In addition, he will be responsible for activating the Plan in the event of interruption to normal business operations.

The Plan will be updated whenever there is a material change to operations, structure, business, or location. In addition, the firm will review the Plan at least annually to modify it for any changes in operations, structure, business or location or those of clearing firm. The CCO is responsible for maintaining and updating the Plan. Sandlapper will maintain copies of the Plan, the annual reviews, and any changes that have been made to the Plan for inspection by regulators. A report will be prepared documenting the review of the Plan and any updates that are made. An electronic copy is located on the SWM server. The CCO is responsible for making sure that all electronic versions are maintained in this location. The CCO is responsible for maintaining hard copies. Hard copies will be maintained at 800 E. North Street, 2nd Floor Greenville, SC 29601.

SIGNIFICANT BUSINESS DISRUPTIONS

Sandlapper has written this Plan anticipating two kinds of significant business disruptions ("SBDs"): internal and external. Internal SBDs affect the firm's ability to communicate and do business (e.g., a fire in the building). External SBDs prevent the operation of the securities markets or a number of firms. Examples of an external SBD include terrorist attacks, a city flood, or a wide-scale, regional disruption. Firm response to an external SBD relies more heavily on other organizations and systems, especially on the capabilities of any clearing firms or outside investment adviser firms with which the firm has established a relationship.

BUSINESS DESCRIPTION

Sandlapper conducts a variety of advisory services to clients which may include, financial planning services, portfolio management, selection of other advisers (i.e., recommending 3rd party investment advisors), publication of periodicals or newsletters and portfolio reviews on both a one-time and ongoing basis. As part of implementing the advice provided, the firm may recommend equity securities, mutual funds, variable insurance products, fixed income securities, and derivative securities. Sandlapper is an investment adviser and does not perform any type of clearing functions for itself or others. Sandlapper does not hold customer funds or securities. An outside custodian recommended by the firm or selected by the client maintains custody of all client funds and securities. We accept and enter orders. All transactions are sent to an outside broker/dealer or custodian, which executes, compares, allocates, clears and settles orders. These custodians also maintain customers' accounts, can grant customers access to them and delivers funds and securities. Clients will be made aware of the broker/dealer or other custodian through whom Sandlapper will implement their transactions and will receive statements from these firms. The firm does not engage in private placements.

Clients currently have relationships with the following broker/dealers and custodians:

Clearing Firm Name	**Address**	**Phone Number**	**Email Address**	**Website**
TD Ameritrade Institutional	200 S. 108th Ave Omaha, NE 68103	888-613-2401	Angela.Flowers@tdameritrade.com	www.advisorservices.com
Charles Schwab Institutional	3328 Peachtree Rd. #301 Atlanta, GA 30326	877-738-6815	Gloria.Mills@Schwab.com	www.schwabinstituional.com

OFFICE LOCATIONS

Sandlapper has the following office locations:

1. Main Office Location. The main office location is at 800 E North Street, 2nd Floor, Greenville, South Carolina 29601. The main telephone number at this location is 864-679-4701. All types of business and services provided by Sandlapper are performed from this location.

2. Branch Office Locations. Services are also conducted from the branch offices of Sandlapper:

   800 E. North Street
   Greenville, SC 29601
   Phone #: 864-679-4701
   Fax #: 864-631-1902

   2702 Erie Ave. 3rd Floor
   Cincinnati, OH 45208
   Phone #: 513-533-0228
   Fax #: 513-533-0200

   1660 Highway 100 S. Suite 500
   St. Louis Park, MN 55416
   Phone #: 612-508-0388

   2312 Eastlake Ave.
   Seattle, WA 98103
   PH: 866-596-1031
   Fax: 206-374-2988

   29800 Agoura Rd. Suite 205
   Agoura Hills, CA 91301
   PH: 818-592-4005
   Fax: 818-707-7201

   1754 Technology Dr # 246
   San Jose, CA 95110
   PH: 408-984-7526
   Fax: 408-984-7523

   11848 Bernardo Plaza Ct. Suite 250
   San Diego, CA 92128
   PH: 858-217-2500

   6900 Jericho Turnpike Suite 300
   Syosset, NY 11791

PH:516-503-1901

200 East Main St.
Easley, SC 29640
PH:864-226-1942

171 S. Main St.
Doylestown, PA 18901
PH: 267-247-5190

3. Non-Branch Office Locations.

3447 Pelham Rd. Suite 101
Greenville, SC 29650
Phone: 864-458-8151

312 Shrike Dr.
Buda, TX 78610
PH: 512-567-5836

1317 Beverly Estate Dr.
Beverly Hills, CA 90210
PH: 310-860-9800

18331 SE 280th St.
Kent, WA 98042
PH:888-408-1031

39 West Union St.
Liberty, IN 47353
PH: 765-458-0115

60 Gramercy Park N 3F
New York, NY 10010
PH: 201-788-8166

All types of business and services provided by the firm are performed from these locations.

If business cannot be conducted from the main office location, business will be conducted from the closest available business location.

If no other office location is available to receive staff, the firm will move them to ***5 Norman Place, Greenville, SC 29615***. The main telephone number at this location is ***864-270-3148***. The following employees will be required to report to work at these alternate locations in the case of an SBD at the main office location:

Employee Name	Title
Trevor L. Gordon	CEO
Mark Reinstein	President
Brooke Jones	Operations Manager

CUSTOMERS' ACCESS TO FUNDS AND SECURITIES

Client funds are maintained with TD Ameritrade, Charles Schwab, or other qualified custodians. In the event of an internal or external SBD, if telephone service is available, investment adviser representatives will take customer orders and instructions and contact clients' custodians on behalf of the client. If firm Web access is available, Sandlapper will post on its Website that customers may access their funds and securities by contacting their custodian. Sandlapper will make this information available to clients through its disclosure document.

DATA BACK-UP AND RECOVERY (HARD COPY AND ELECTRONIC)

Sandlapper maintains its primary hard copy books and records and its electronic records at its main office location previously referenced in this document. The CCO is responsible for the maintenance of these books and records. The firm maintains the following document types and forms:

- Financial records
- Organizational records *(corporate records, etc.)*
- Form ADV annual delivery documents and logs
- A copy of firm written policies and procedures and any revisions made to this document
- A copy of the firm's Code of Ethics and any amendments to this document
- Records of any violations to the Code of Ethics and any actions taken as a result of the violations
- Written Acknowledgement Statements executed by employees acknowledging receipt of the firm's written policies and procedures and its Code of Ethics
- An affiliated access persons list
- Holdings reports

- Solicitor Disclosure Documents and Agreements
- Any written agreements entered into by the firm
- A copy of the firm's Privacy Policy Statement and proof of annual delivery
- All client documentation and any data gathering documents
- Financial plans prepared for clients
- Client agreements
- Copies of any checks received
- Copies of any reports prepared and sent to clients
- Copies of any fee statements or notifications sent to clients

Sandlapper maintains its back-up hard copy books and records at 800 E. North Street, 2nd Floor, Greenville, SC 29601. These records are paper and electronically filed. Operations Manager is responsible for the maintenance of these back-up books and records. The firm backs up its paper records by copying and taking them to its back-up site. Records are backed up annually.

Sandlapper backs up its electronic records daily by cloud service, and keeps a copy at cloud back-up server.

In the event of an internal or external SBD that causes the loss of paper records, the firm will physically recover them from its back-up site. If the primary site is inoperable, it will continue operations from the back-up site or an alternate location. For the loss of electronic records, it will either physically recover the storage media or electronically recover data from its back-up site, or, if the primary site is inoperable, continue operations from the back-up site or an alternate location.

FINANCIAL AND OPERATIONAL ASSESSMENTS

Operational Risk

In the event of an SBD, the firm will immediately identify what means will permit it to communicate with customers, employees, critical business constituents, critical banks, critical counter-parties and regulators. Although the effects of an SBD will determine the means of alternative communication, the communications options employed will include Website, telephone voice mail, call forwarding, and cell phones. In addition, the firm will retrieve key activity records as

described in the section above, Data Back-Up and Recovery (Hard Copy and Electronic).

Financial and Credit Risk

In the event of an SBD, the firm will determine the value and liquidity of its investments and other assets to evaluate its ability to continue to fund operations. The firm will contact clients' custodians, critical banks, and investors to apprise them of its financial status. If the firm determines that it may be unable to meet its obligations to those counter-parties or otherwise continue to fund operations, it will request additional financing from a bank or other credit sources to fulfill its obligations to customers and clients. If the firm cannot remedy any financial deficiency, it will file appropriate notices with regulators and immediately take appropriate steps.

MISSION CRITICAL SYSTEMS

Sandlapper has the primary responsibility for establishing and maintaining business relationships with customers and has sole responsibility for mission critical functions of order taking, entry and execution. Firm "mission critical systems" are those that ensure prompt and accurate processing of client transactions, including order taking, entry, execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts and the delivery of funds and securities. More specifically, these systems include:

Outside custodians utilized by the firm provide the execution, comparison, allocation, clearance and settlement of securities transactions, the maintenance of customer accounts, access to customer accounts and the delivery of funds and securities. These outside custodians will maintain a business continuity plan and the capacity to execute that plan. The custodian(s) represent that it will advise the firm of any material changes to its plan that might affect its ability to maintain business and presented the firm with an executive summary of its plan, which is attached. In the event that any of the custodian firms that the firm has a relationship with executes its plan, it represents that it will notify the firm of such execution and provide the firm with equal access to services as its other customers. If the firm reasonably determines that the custodian(s) has not or cannot put its plan in place quickly enough to meet firm needs, or it's otherwise unable to provide access to such services, the custodian firm represents that it will assist the firm in seeking services from an alternative source.

Recovery-time objectives provide concrete goals to plan for and test against. They are not, however, hard and fast deadlines that must be met in every emergency situation, and various external factors surrounding a disruption, such as time of day, scope of disruption and status of critical infrastructure-particularly telecommunications-can affect actual recovery times. Recovery refers to the

restoration of clearing and settlement activities after a wide-scale disruption; resumption refers to the capacity to accept and process new transactions and payments after a wide-scale disruption.

Firm Mission Critical Systems

1. Order Taking. Currently, Sandlapper receives orders from customers via telephone, fax, or in person visits by the customer. During an SBD, either internal or external, the firm will continue to take orders through any of these methods that are available and reliable. In addition, as communications permit, the firm will inform customers when communications become available to tell them what alternatives they have to send their orders. Customers will be informed of alternatives by email. If necessary, the firm will advise customers to place orders directly with their custodian.

2. Order Entry. Currently, Sandlapper enters orders by recording them on paper and/or electronically. Then they are sent to the clearing firm electronically or verbally via telephone.

   In the event of an internal SBD, the firm will enter and send records to the clearing firm by the fastest alternative means available. In the event of an external SBD, the firm will maintain the order in electronic or paper format, and deliver the order to the custodian by the fastest means available when it resumes operations. In addition, during an internal SBD, the firm may need to refer customers to deal directly with the custodian for order entry.

3. Order Execution. The firm currently executes orders electronically through the custodian's order execution system. In the event of an internal SBD, the firm would use any means necessary to fill orders such as calling in or faxing orders to the custodian. In the event of an external SBD, the firm would update the website to reflect whether or not the firm is currently taking orders.

Mission Critical Systems Provided by Outside Custodian(s)

Sandlapper relies, by contract, on outside custodian(s) to provide order execution, order comparison, order allocation, and the maintenance of customer accounts, delivery of funds and securities, and access to customer accounts.

ALTERNATE COMMUNICATIONS BETWEEN THE FIRM AND CUSTOMERS, EMPLOYEES, AND REGULATORS

Customers

Sandlapper now communicates with customers using telephone, email, fax, U.S. mail, and in person visits at the firm. In the event of an SBD, the firm will access which means of communications are still available and use the means closest in speed and form (written or oral) to the means used in the past to communicate with clients. For example, if the firm has communicated with a party by email but the Internet is unavailable, the firm will call them on the telephone and follow-up where a record is needed with a paper copy in the U.S. mail. The firm will continue to provide status communications until normal business hours can resume.

Employees

Sandlapper now communicates with employees using the telephone, email, and in person. In the event of an SBD, the firm will access which means of communication are still available and use the means closest in speed and form (written or oral) to the means used in the past to communicate with employees.

The firm will also employ a call tree so that senior management can reach all employees quickly during an SBD. The call tree includes all staff home, office phone, cell phone numbers and business and personal email addresses. (Exhibit A) The firm has identified persons, noted below, who live near each other and may reach each other in person if necessary. A copy of this call tree will be maintained in paper copy and electronically at all locations from which business can be conducted. All employees listed as a Caller will be responsible for maintaining a paper and electronic copy of this BCP and the call tree at their personal residence as well as the main office location from which they conduct business on a regular basis. The CCO will be responsible for maintaining and updating the call tree and making sure all employee contact information remains current. Information will be updated at least quarterly as needed and all changes will be communicated to all affected employees.

The CCO will be responsible for activating the use of the call tree. If he is not available or is unable to activate the use of the call tree, The Operations Manager will be responsible for activating the use of the call tree. The following is the call tree currently being used:

Caller	Call Recipients
Bjorn Jordan	Mark Reinstein
Mark Reinstein	Brooke Jones

Training will be provided to all employees of the procedures that should be taken in the event of an internal or external SBD. Employees will be made aware of the alternate locations from which business can be conducted. Employees will also be aware of which employees have been designated as essential personnel that will be required to report to the alternate business location.

Regulators

Sandlapper is currently subject to regulation by the SEC. The firm communicates with regulators using telephone, e-mail, fax, U.S. Mail and/or in person visits. In the event of an SBD, the firm will assess which means of communication are still available and will use the means closest in speed and form (oral or written) to the means used in the past to communicate with the other party. Regulatory information will be maintained on the Master Contact List. (Exhibit B) The CCO will be responsible for maintaining the Master Contact List and updating it at least quarterly when necessary.

CRITICAL BUSINESS CONSTITUENTS, BANKS, AND COUNTER-PARTIES

Business Constituents

Sandlapper has contacted its critical business constituents (businesses with which it has an ongoing commercial relationship in support of operating activities, such as vendors providing critical services), and determined the extent to which the firm can continue business relationships with them in light of the internal or external SBD. The firm will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when needed them because of a SBD to them or the firm.

Major vendors are:

Supplier's Name	Service/Product	Address	Phone Number
Charles Schwab	*Custodian*	*3328 Peachtree Rd NE Suite 301, Atlanta, GA 30326*	*877-738-6817*
TD Ameritrade Institutional	*Custodian*	200 S. 108th Ave Omaha, NE 68103	*888-613-2401*
Assetbook	*Fee Billing*	*PO Box 232 McHenry, MD 21541*	*301-387-3238*
Interactive Advisory Software (IAS)	*Fee Billing*	*3393 bargaintown Rd. Egg harbor Township, NJ 08234*	*609-365-5619*
Foothills Data Consultants, Inc.	*IT*	*1027 S. Pendelton St. Suite B-251, Easley SC 29642*	*864-420-5243*

Drop Box	*Cloud File Storage Service*	*185 Berry St. Suite 400 San Francisco, CA 94107*	*855-237-6726*

Contact information will also be maintained on the Master Contact List. (Exhibit B)

Banks

Sandlapper has contacted its banks and lenders to determine if they can continue to provide the financing that will be needed in light of the internal or external SBD. The bank maintaining the firm operating account is National Bank of SC, 201 E. McBee Ave #100, Greenville, SC 29601, (864) 241-7900, Paula Barton. The bank maintaining the firm proprietary account is National Bank of SC, 201 E. McBee Ave #100, Greenville, SC 29601, (864) 241-7900, Paula Barton. If the banks and other lenders are unable to provide the financing, the firm will seek alternative financing immediately from National Bank of SC, 201 E. McBee Ave #100, Greenville, SC 29601, (864) 241-7900, Paula Barton. Contact information for all banks and other lenders will be maintained on the Master Contact List. (Exhibit B)

Counter-Parties

Sandlapper has contacted its critical counter-parties, such as broker/dealers or institutional customers, to determine if it will be able to carry out transactions with them in light of the internal or external SBD. Where the transactions cannot be completed, it will work with custodian(s) or contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible. Contact information for all counter-parties will be maintained on the Master Contact List. (Exhibit B)

REGULATORY REPORTING

Sandlapper is subject to regulation by the SEC. The firm now files reports with regulators using paper copies in the U.S. mail and electronically using fax, email, and the Internet. In the event of an SBD, it will check with the SEC and other regulators to determine which means of filing are still available and use the means closest in speed and form (written or oral) to its previous filing method. In the event that the firm cannot contact regulators, it will continue to file required reports using the communication means available. Contact information for each regulator referenced above will be maintained on the Master Contact List. (Exhibit B)

EXHIBIT A

CALL TREE EMPLOYEE EMERGENCY CONTACT INFORMATION

NAME	OFFICE # OR EXT.	HOME PHONE #	CELL PHONE #	OFFICE EMAIL ADDRESS	PERSONAL EMAIL ADDRESS
Trevor L. Gordon	864-679-4701		864-270-3148	tgordon@sandlapperwealth.com	
Mark Reinstein	864-679-4701		864-238-8575	mreinstein@sandlappercapital.com	
Bjorn Jordan	864-679-4701		404-434-4270	bjordan@sandlapperwealth.com	
Brooke Jones	864-679-4701		864-238-7272	bjones@sandlapperwealth.com	

EXHIBIT B

MASTER CONTACT LIST

ENTITY NAME	MAIN CONTACT PERSON NAME	PHONE NUMBER	EMAIL ADDRESS	FAX NUMBER	ADDITIONAL CONTACT INFORMATION (i.e., Website address)
Charles Schwab	Service Team	877-738-6815	Gloria.mills@schwab.com		
TD Ameritrade Institutional	Service Team	888-613-2401	Corewest4@tdameritrade.com	866-226-4615	
Foothills Data Consultants, Inc.	IT	864-420-5243	jmoyer@foothillsdata.net		
NBSC	Paula Barton	864-241-7925	paulabarton@banknbsc.com	864-241-1791	
Assetbook, Inc	Amy Fike	301-387-3238	Amy.fike@assetbook.com		www.assetbook.com
Interactive Advisory Software (IAS)	Frank Manna	609-365-5619	Frank.manna@iassoftware.com		www.iassoftware.com
Drop Box	Andrew Aydin	855-237-6726	aaydin@dropbox.com		www.dropbox.com