

Item 1 Cover Page

# MAULDIN

## SOLUTIONS LLC

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**IARD#114323**

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This brochure provides information about the qualifications and business practices of Mauldin Solutions, LLC. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. However, such registration does not imply a certain level of skill or training. Additional information about Mauldin Solutions, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Dated: February 14, 2017**

## Item 2 Material Changes

This Form ADV, Part 2, also known as the “Brochure”, requires disclosure on distinct topics, and answers must be presented in the order of the items in the form, using the headings in the form. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

After the initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

### **Summary Of Material Changes:**

Updated Item 1 for new phone number  
Updated Item 17 for new phone number

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## Item 4 Advisory Business

### **INTRODUCTION**

Mauldin Solutions, LLC is a Registered Investment Advisory firm registered since October 5, 1999. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide you, including this Brochure, is information you can use to evaluate us and other advisers, which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship. This Brochure provides information about our qualifications and business practices.

### **OWNERSHIP**

Mauldin Solutions, LLC is a privately owned limited liability company headquartered in Dallas, Texas. John F. Mauldin founded Mauldin Solutions, LLC on September 8, 1999 and is the sole manager and owner of the business.

### **ADVISORY SERVICES OFFERED**

Mauldin Solutions, LLC is a Solicitor for other unaffiliated Registered Investment Advisory firms. Mauldin Solutions, LLC also provides sub-advisory services to a mutual fund.

### **INVESTMENT ADVISOR SOLICITATION SERVICES:**

Mauldin Solutions, LLC is a Solicitor for other unaffiliated Registered Investment Advisory firms. We are qualified to be and act as an investment adviser under the laws of the states in which we transact business in and are familiar with the rules promulgated under the Investment Advisors Act of 1940 and the numerous requirements pertaining to the solicitation of prospective investment advisor clients. In this capacity we may participate in product suitability, but the unaffiliated registered investment adviser firm is responsible for individual client suitability on an initial and ongoing basis.

When soliciting clients for unaffiliated Registered Investment Advisors, each client shall be provided with the most recent relevant brochures or equivalent disclosure documents of the unaffiliated registered investment advisers that details their applicable programs and the compensation to be paid by you and what portion of the same is received by us for our solicitation services and the association between our firm and the unaffiliated registered investment advisers.

### **MARKETING SERVICES:**

We may enter into a marketing agreement to develop relationships with persons or entities that might be interested in traditional or alternative investments through various channels including but not limited to, books, newsletters, internet websites and public speaking engagements. Persons interested in alternative funds must meet the definition of an Accredited Investor as defined under Regulations D of the Securities Act of 1933 and will be referred to a qualified broker-dealer which may receive commissions.

### **SUB-ADVISORY SERVICES:**

We may enter into agreements to act as an investment consultant to Investment Managers. We will provide advice to the Investment Manager in relation to the allocation of certain portfolio assets from time to time by the Investment Manager. All investment decisions will ultimately be made by the Principle Investment Manager.

### **CMG Mauldin Solutions Core Fund:**

We serve as a sub- advisor to CMG Mauldin Solutions Core Fund a registered mutual fund, which is sponsored by unaffiliated parties. We will have discretionary authority for the day-to-day investment related decisions of the fund's assets. The Fund is managed in accordance with its respective investment objectives, strategies and restrictions as approved by the Fund's Board of Trustees or other governing body, as applicable. A complete description of the Fund, its strategy, objectives, and costs is set forth in the Fund prospectus.

We have assembled a team of experienced and qualified money manager professionals to provide a new approach to investing. The CMG Mauldin Solutions Core Series will provide investment advisers and their clients a way to invest which will be vastly different from the current 60/40 strategy that most advisors utilize. Four research providers will be utilized to implement a blended strategy to meet this goal. Each

has been betted to assure they can provide the expertise and knowledge to help meet this goal. Research Provider agreements have been executed with CMG Capital Management Group, Inc., Peak Capital Management, LLC, Tectonic Advisors LLC, and 3Edge Asset Management, LP.

**ASSETS UNDER MANAGEMENT:**

Mauldin Solutions, LLC has no discretionary assets under management to report at this time.

## Item 5 Fees and Compensation

**Solicitor Fee Schedule:**

The fees payable to us for these referral services depend upon the fee arrangement between our Firm and the unaffiliated registered investment adviser to whom you are referred. We will receive a portion of the unaffiliated registered investment adviser's ongoing fees as compensation for the solicitation or consulting. Our fee can be up to one half of the fees charged. The fee shall be paid solely from the unaffiliated registered investment adviser and will be paid to us within 30 days of the unaffiliated registered investment adviser's receipt of the advisory fee from the client. The fee paid to us will not result in any additional charge to the client of the unaffiliated registered investment adviser.

**Termination:**

Our agreements contain provisions for either party to terminate the agreement with written notice. The agreement between the unaffiliated registered investment adviser and our firm can be terminated upon written notice to the other party. Termination of the agreement will only affect future referral prospects. We will remain entitled to continue payment of our referral fees for all prospects whether they are clients at the time of termination or whether they become clients subsequent to termination as long as the unaffiliated registered investment adviser receives such fees from the referred clients and as long as we maintain the appropriate regulatory licenses.

**Marketing Fee Schedule:**

If any referred qualified clients open an account, we are paid a negotiated amount depending on the account opened by the client. Payments are generally paid 30 days from the date upon which they are received from the qualified client. Our arrangement does not deem us as an agent, employee or partner with the other party.

**Termination:**

Our agreements contain provisions for either party to terminate the agreement with written notice. It is understood that the Agreement can be terminated at any time, by either party immediately and for any reason upon written notice to the other party. Termination of the agreement will only affect future referral prospects. We will remain entitled to continue payment of our referral fees for all prospects whether they are clients at the time of termination or whether they become clients subsequent to termination as long as the unaffiliated registered investment adviser receives such fees from the referred clients and as long as we maintain the appropriate regulatory licenses.

**Sub-Advisory Fee Schedule:**

We will receive a flat annual fee (once the fund has achieved the required net assets under management) and a Director's fee.

**CMG Mauldin Solutions Core Fund:**

Our sub-advisory services provided to the CMG Mauldin Solutions Core Fund are disclosed in the sub-advisory arrangement with the Investment Advisor of the Fund. We will receive a portion of the investment advisory fee collected for our sub-advisory services on the allocated assets. Fee schedules for such services generally are described in each Fund's current disclosure documents filed with the Securities and Exchange Commission.

## **Termination**

Our agreement for sub-advisory services will continue until terminated or modified by the Investment Adviser of the Fund and can be terminated at any time. We are entitled to receive all fees and other monies accrued up to the date of termination.

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

We do not charge performance based fees nor do we provide side by side management services. All fees charged are as described in Item 5 - Fees and Compensation above.

## **Item 7 Types of Clients**

### **Client Base:**

Our customer base for referrals to other unaffiliated registered investment advisers consists of individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. We also have investment companies as current clients.

### **Conditions for Account Management:**

We do not have any imposed minimum account size of assets to be managed by us.

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

### **Methods of Analysis & Investment Strategies:**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

#### Charting.

In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

#### Fundamental analysis.

We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be a good time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market, regardless of the economic and financial factors considered in evaluating the stock.

#### Technical analysis.

We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and to potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

**Risk of Loss:**

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

The advice offered to you is determined by the areas of expertise of the registered investment adviser's agent providing the service and your stated objective. We advise you to notify your investment manager promptly if there are ever any changes in your financial situation or investment objective or if you wish to impose any reasonable restrictions upon their management services.

We do not represent, warrant, or imply that the services or methods of analysis employed by our unaffiliated registered investment advisers can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. All securities trading, whether in stocks, options, or other investment vehicles, is speculative in nature and involves substantial risk of loss that clients should be prepared to bear. Past performance is not necessarily indicative of future results. You should make every effort to understand the risks involved.

The Principal Risks of Investing include, but are not limited to:

**Principal Investment Risks**

**Credit Risk:** There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. In addition, the credit quality of fixed income securities held by the Fund may be lowered if an issuer's financial condition changes. High yield or junk bonds are more susceptible to these risks than debt of higher quality issuers. In determining the credit quality of fixed income securities, the Fund relies in part upon rating agencies which assign ratings based on their analysis of the issuer's financial condition, economic and debt characteristics, and specific revenue sources securing the bond. There is additional risk that the national credit rating agencies may be wrong in their determination of an issuer's financial condition, or the risks associated with a particular security. A change in either the issuer's credit rating or the market's perception of the issuer's business prospects will affect the value of its outstanding securities. Ratings are not a recommendation to buy, sell or hold and may be subject to review, revision, suspension or reduction, or may be withdrawn at any time.

**Fixed Income Risk:** When the Fund invests in fixed income securities or other investment companies that invest primarily in fixed income securities, the value of your investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of the fixed income securities owned by the Fund. In general, the market price of debt securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. Other risk factors impacting fixed income securities include credit risk, maturity risk, market risk, extension risk, illiquid security risks, foreign securities risk, prepayment risk and investment-grade securities risk. These risks could affect the value of a particular investment by the Fund possibly causing the Fund's share price and total return to be reduced and fluctuate more than other types of investments. In addition, some of the fixed income securities in which the Fund may invest are sometimes referred to as "high yield" or "junk" bonds. Such securities are considered speculative investments that carry greater risk of default and are more susceptible to real or perceived adverse economic and competitive industry conditions than higher quality debt securities.

**Foreign Emerging Market Risk:** In addition to the risks generally associated with investing in foreign securities, countries with emerging markets also may have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues.

**Foreign Exposure:** The Fund could be subject to greater risks because the Fund's performance may depend on factors other than the performance of securities of U.S. issuers. Changes in foreign economies and political climates are more likely to affect the Fund than a mutual fund that invests exclusively in U.S. dollars and U.S. issuers. The value of foreign currency denominated securities or foreign currency contracts is also affected by the value of the local currency relative to the U.S. dollar. There may also be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information about issuers of foreign currency denominated securities. The value of foreign investments, including foreign currency denominated investments, may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad) or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues, whether denominated in U.S. dollars or foreign currencies, could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations.

**High-Yield Bond Risk:** Lower-quality bonds, known as "high yield" or "junk" bonds, are considered highly speculative and present a significant risk for loss of principal and interest. These bonds offer the potential for higher return, but also involve greater risk than bonds of higher quality, including an increased possibility that the bond's issuer, obligor or guarantor may not be able to make its payments of interest and principal (credit quality risk). If that happens, the value of the bond may decrease, and the Fund's share price may decrease and its income distribution may be reduced. An economic downturn or period of rising interest rates (interest rate risk) could adversely affect the market for these bonds and reduce the Fund's ability to sell its bonds (liquidity risk). Such securities may also include "Rule 144A" securities, which are subject to resale restrictions. The lack of a liquid market for these bonds could decrease the Fund's share price. Like stock markets, investments in high yield fixed income securities can be volatile. In other words, the prices of securities can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. The Fund's investments may decline in value if the markets perform poorly. There is also a risk that the Fund's investments will underperform either the securities markets generally or particular segments of the securities markets.

**Management Style Risk:** The Adviser's proprietary tactical asset allocation methodology and security selection methodology may produce incorrect judgments about the attractiveness, value, relative value and potential appreciation of a particular investment and may not produce the desired results. The Adviser's judgments about the investment management skill of the Sub-Adviser may prove to be incorrect.

**Non-Diversification Risk:** The Fund is a non-diversified investment company, which means that more of the Fund's assets may be invested in the securities of a single issuer than could be invested in the securities of a single issuer by a diversified investment company. This may make the value of the Fund's shares more susceptible to certain risks than shares of a diversified investment company. As a non-diversified fund, the Fund has a greater potential to realize losses upon the occurrence of adverse events affecting a particular issuer.

**Portfolio Turnover Risk:** Portfolio turnover refers to the rate at which the securities held by the Fund are replaced. The higher the rate, the higher the transactional and brokerage costs associated with the turnover which may reduce the Fund's return, unless the securities traded can be bought and sold without corresponding commission costs. Mutual funds are required to distribute their net realized capital gains annually under federal tax laws. The Fund's investment strategies are expected to involve frequent trading which leads to high portfolio turnover and could generate potentially large amounts of net realized capital gains in a given year. It is possible that the Fund may distribute sizable taxable capital gains to its shareholders, regardless of the Fund's net performance.

**Smaller Company Risk:** The Fund may invest in smaller-capitalization companies (that is, companies with market capitalizations of less than \$3 billion). The earnings and prospects of smaller companies are more volatile than those of larger companies. Smaller companies also may experience higher failure rates than do larger companies. In addition, the securities of smaller companies may trade less frequently and in smaller volumes than the securities of larger companies, which may disproportionately affect their market



price, tending to make them fall more in response to selling pressure than is the case with larger companies. Finally, smaller companies may have limited markets, product lines or financial resources and may lack management experience.

**Stock Market Risk:** Stock markets can be volatile. In other words, the prices of stocks can fall rapidly in response to developments affecting a specific company or industry, or to changing economic, political or market conditions. The Fund's investments may decline in value if the stock markets perform poorly. There is also a risk that the Fund's investments will underperform either the securities markets generally or particular segments of the securities markets.

**Underlying Funds Risk:** Mutual funds, closed-end funds and ETFs are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, the cost of investing in the Fund will be higher than the cost of investing directly in other investment companies and may be higher than other mutual funds that invest directly in stocks and bonds. Each other investment company is subject to specific risks, depending on the nature of the fund.

- *Mutual Fund Risk.* Mutual funds are subject to investment advisory fees and other expenses, which will be indirectly paid by the Fund. As a result, your cost of investing will be higher than the cost of investing directly in a mutual fund and may be higher than other mutual funds that invest directly in stocks and bonds. Mutual funds are also subject to management risk because the adviser to the underlying mutual fund may be unsuccessful in meeting the fund's investment objective and may temporarily pursue strategies which are inconsistent with the Fund's investment objective.
- *Closed-End Fund Risk.* Closed-end funds are subject to investment advisory fees and other expenses, which will be indirectly paid by the Fund. As a result, your cost of investing will be higher than the cost of investing directly in a closed-end fund and may be higher than other mutual funds that invest directly in stocks and bonds. Closed-end funds are also subject to management risk because the adviser to the underlying closed-end fund may be unsuccessful in meeting the fund's investment objective. These funds may also trade at a discount or premium to their net asset value and may trade at a larger discount or smaller premium subsequent to purchase by the Fund. Since closed-end funds trade on exchanges, the Fund will also incur brokerage expenses and commissions when it buys or sells closed-end fund shares.
- *ETF Risk.* ETFs are subject to investment advisory fees and other expenses, which will be indirectly paid by the Fund. As a result, your cost of investing in the Fund will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds that invest directly in stocks and bonds. ETFs are listed on national stock exchanges and are traded like stocks listed on an exchange. ETF shares may trade at a discount to or a premium above net asset value if there is a limited market in such shares. ETFs are also subject to brokerage and other trading costs, which could result in greater expenses to the Fund. Because the value of ETF shares depends on the demand in the market, the Adviser may not be able to liquidate the Fund's holdings at the most optimal time, adversely affecting performance. Additional risks of investing in ETFs are described below:
  - *ETF Strategy Risk.* Each ETF is subject to specific risks, depending on the nature of the ETF. These risks could include liquidity risk, sector risk, foreign and emerging market risk, as well as risks associated with real estate investments and commodities.
  - *Net Asset Value and Market Price Risk.* The market value of ETF shares may differ from their net asset value. This difference in price may be due to the fact that the supply and demand in the market for ETF shares at any point in time is not always identical to the supply and demand in the market for the underlying basket of securities. Accordingly, there may be times when an ETF share trades at a premium or discount to its net asset value.
  - *Tracking Risk.* ETFs in which the Fund invests will not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In

addition, the ETFs in which the Fund invests will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETFs' ability to track their applicable indices.

## Item 9 Disciplinary Information

In 2003, while employed with The Wilson Williams Financial Group, John F. Mauldin, President, President, Owner and Chief Compliance Officer of our firm, wrote newsletters regarding investments in hedge funds that allegedly had inadequate risk disclosures and contained exaggerated and unwarranted statements and claims according to the National Association of Securities Dealers, Inc. Without admitting or denying the findings, John F. Mauldin consented to the sanctions and findings and was fined \$35,000 and required to file with the NASD's Advertising and Regulations Department all sales literature except for generic newsletters that do not discuss or otherwise reference specific securities and ads, written, distributed or used at least ten days prior to first use.

## Item 10 Other Financial Industry Activities and Affiliations

### Related Relationships:

#### Relationship with Mauldin Securities, LLC:

Mauldin Securities, LLC, (Member FINRA/SIPC) is a registered broker-dealer and an affiliated firm through the ownership of John F. Mauldin. Mauldin Securities, LLC is also a member of the National Futures Association ("NFA"). Mauldin Wave Securities, LLC refers clients to other broker/dealers. John F. Mauldin is a registered representative of Mauldin Securities, Inc.

### Non-Related Relationships:

#### Third Party Solicitor Relationships:

We act as a Solicitor for other unaffiliated Registered Investment Advisory firms. We may develop other solicitor arrangements with other unaffiliated registered investment advisers at our discretion. We currently have a third party solicitor relationship with CMG Capital Management Group, Inc. See item 4 for more details.

You will receive a Solicitor's Disclosure Statement, pursuant to SEC Rule 206(4)-3. The Solicitor's Disclosure Statement provides, among other things, disclosure regarding the affiliation, if any, between our Firm and the third-party adviser: the terms of the solicitation agreement between our Firm and the third-party adviser, including the amount of compensation to be paid to our Firm for the solicitation; and the additional cost to you if any, as a result of the solicitation agreement.

#### Sub-Advisory Relationships:

We currently have a sub-advisory relationship with the Investment Manager of The ARP Structural Alpha Fund (SICAV) and CMG Capital Management Group, Inc. We may develop other sub-advisory arrangements with other investment managers at our discretion.

#### Research Provider Relationships:

Research Provider agreements have been executed with CMG Capital Management Group, Inc., Peak Capital Management, LLC, Tectonic Advisors LLC, and 3Edge Asset Management, LP. See Item 4 for more information.

**Other Broker-Dealer Relationships:**

We currently have a marketing agreement with Altegris Investments, Inc. (Member FINRA/NFA/SIPC). We may develop other marketing arrangements with other broker-dealers at our discretion.

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

We have adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by our advisory personnel and have established standards of conduct expected of our advisory personnel. We have set forth in the Code of Ethics Policy statements of general principals, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective client's upon written request.

**Participation or Interest in Client Transactions / Personal Trading:**

Advisory agents of the Firm may buy or sell for themselves securities that they may also recommend. These investment products will be bought and sold on the same basis as our clients. In all instances, the positions would be so small they would have no impact on the pricing or performance of the security. We will do everything possible to mitigate these conflicts and put the interest of our clients first. Records of all advisory agent's proprietary trading activities are reviewed and kept by us. We and our advisory agents will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in your best interest. We have established policies and procedures on compliance with insider trading that are distributed to all associated persons and employees of our Firm. The procedures include provisions for defining "insider" material, monitoring associated persons and employee securities accounts, restricting access to affiliates sensitive material and restrictions on trading.

**Item 12 Brokerage Practices****Brokerage Selection:**

As a sub-adviser we generally exercise investment and brokerage discretion regarding the assets under management with respect to the Fund. Our discretion in those matters, however, is limited by our responsibility to act in the best interest of our clients in fulfilling their investment objectives.

We will seek to obtain the best overall execution when selecting broker - dealers for portfolio transactions. In seeking the best overall execution, we will use our best judgment in evaluating the terms of a transaction and will give consideration to relevant factors like: (i) execution capabilities, (ii) commission rates, (iii) responsiveness and financial responsibility, and (iv) other services which will help us to provide investment supervisory services to our clients.

**Brokerage for Client Referrals:**

Neither our Firm nor our Advisory Agents receive client referrals from a broker dealer or other third party when recommending to you a broker-dealer for the execution of securities transactions.

**Directed Brokerage:**

We do not recommend or request clients to direct execution through a particular broker-dealer. We execute trades for our clients through various broker dealers.

**Research and other Soft Dollar Benefits:**

We do not currently generate "soft dollars" with respect to any client accounts.

**Trade Aggregation:**

Our firm does not aggregate orders. We manage one client account and do not have the need to aggregate orders.

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

**Reviews:**

Fund accounts are reviewed on an ongoing basis by John F. Mauldin, President, CCO. Reviews will be warranted more frequently due to tax law changes, market changes, or market conditions.

With respect to our solicitation activities, we do not review client accounts. Reviews are limited to the analysis of the various investment managers we recommend. Client accounts will be reviewed by the respective investment advisor and reports will be sent to you by them.

**Reports:**

Monthly statements on holdings and changes in market value are sent by the custodians. We provide quarterly statements of net asset value. Annually each fund will have an annual audit which will be provided to the Fund for further distribution to each investor in the Fund.

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

**Client Referrals:**

We do not have any arrangements that we compensate another for client referrals to our firm.

**Other Compensation:**

We receive no other compensation other than what is already disclosed in this Brochure.

### **Item 15 Custody**

We do not maintain custody of any funds or securities for any clients we refer to other unaffiliated registered investment advisers. Your funds and securities will be maintained with a "qualified custodian" as required under Rule 206(4)-2 under the Advisers Act with each unaffiliated registered investment adviser's designated custodian.

### **Item 16 Investment Discretion**

Through our sub-advisory arrangement we have been granted discretion to manage and periodically re-balance the portfolio in accordance with the respective investment objectives, strategies and restrictions set forth in the Fund's prospectus. In the exercise of this authority, we are fully authorized and empowered to place orders with respect to the purchase, sale, exchange, disposition or liquidation of any assets held in the portfolios.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions of the portfolios we manage. Investment guidelines and restrictions must be provided to us in writing.

## Item 17 Voting Client Securities

We shall vote proxies related to securities held in a manner solely in the interest of the Fund. We shall consider only those factors that relate to the Fund's investment, including how its vote will economically impact and affect the value of the Fund's investment. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of the Fund and management, increase the Fund's value, maintain or increase the Fund's influence over the issuer's board of directors and management, and maintain or increase the rights of the Fund. Proxy votes generally will be cast against proposals having the opposite effect. In voting on each and every issue, we shall vote in a prudent and diligent fashion and only after a careful evaluation of the issue presented on the ballot. All proxies and ballots will be logged in upon receipt.

We will note on the cover page of the proxy how voted on each issue. The proxy will then be filed in the proper Fund's file and becomes a permanent part of our records.

Periodically, we will:

- Verify that all annual proxies for the securities held by the Fund have been received.
- Verify that each proxy received has been voted in a manner consistent with the proxy voting policies and procedures and the guidelines (if any) issued by the Fund (or in the case of an employee benefit plan, the plan's trustee or other fiduciaries).
- Report to the Fund how each proxy sent to us on behalf of the Fund was voted, by forwarding a copy of the completed ballot card or in some other written manner.
- Review the files to verify that records of the voting of the proxies have been properly maintained; and;

Prepare a written report for the Fund regarding compliance with the proxy voting policies and procedures.

You can contact our office at 800-829-7273 for any questions about a particular solicitation.

## Item 18 Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to you.

## Item 19 Requirements for State Registered Advisers

Not applicable, we are an SEC registered investment adviser.