

### **ERISA Accounts and Rule 408(b)(2) Disclosures**

Under Rule 408(b)(2) (the “Rule”) under the Employee Retirement Income Security Act of 1934 (“ERISA”), the Adviser has determined that it is a Covered Service Provider (“CSP”) to Covered Plans as defined by the Rule. As such, we are required to disclose to plan fiduciaries a description of the services provided and fees charged by the CSP. The required disclosure should describe both direct and indirect compensation to a CSP.

“Direct compensation” is compensation received directly from a Covered Plan. “Indirect compensation” generally is compensation received from any source other than the plan sponsor, the CSP, an affiliate or a subcontractor.

#### *Direct Compensation*

If your Covered Plan has a valid agreement with the CSP, the CSP provides discretionary and impersonal investment advice for a set annual fee paid quarterly. This annual fee is considered Direct Compensation.

#### *Indirect Compensation*

In addition to the fee paid to the CSP, commissions from certain transactions in the Covered Plan may be used to pay for research services used by the CSP. These commissions may be in excess of that which another broker-dealer might have charged for effecting the same transaction, in recognition of the value of the brokerage and research services provided by the broker-dealer. The CSP believes it is important to its investment decision-making processes to have access to independent research. Receipt of products or services other than brokerage or research is not a factor in allocating brokerage. The services received as a result of these commissions would be considered Indirect Compensation and are commonly referred to as “Soft Dollars.” The CSP uses Fidelity Capital Markets and Westminster Research Associates LLC (the “Soft Dollar Providers”) to provide soft dollar services. The Soft Dollar Providers and the CSP are independent parties and are not affiliated in any manner. A more detailed description of the CSP’s brokerage practices, including a discussion of soft dollars and the Adviser’s compliance with the guidance provided by the SEC staff in connection with Section 28(e) of the Securities Exchange Act of 1934, can be found in **Item 12** of this Form ADV Part 2A.

If your Covered Plan has a valid agreement with another CSP and you receive investment advisory services from the Adviser through a “wrap program,” then the Adviser is considered a CSP; however, any fees received by the Adviser would be considered Indirect Compensation.

#### *Recordkeeping Services*

The CSP does not provide recordkeeping services and receives no compensation attributable to such services.

#### *Fiduciary Authority*

The Adviser acts as a fiduciary with respect to the plan assets of which it has been delegated investment discretion.

### *Termination of Appointment as Investment Adviser*

Upon termination of the advisory agreement governing our relationship, the client will be responsible for the payment of any unbilled and or unpaid fees through the last day advisory services were provided. If fees were paid in advance, a refund for a pro-rated amount will be returned to the client typically via a check issued by the Adviser, unless requested otherwise. As noted in our advisory agreement, paragraph “Assignment and Termination” (or a similarly titled paragraph), either party may terminate the agreement by written notice and without penalty.

### *Fees, Direct Compensation and Invoicing*

The terms of compensation are set out in our advisory agreement, paragraph “Compensation to the Adviser” (or a similarly titled paragraph), including the specific fee, how it will be calculated and how clients are invoiced. As noted above, our fees are considered Direct Compensation.