JOINT WORK SESSION MEETING
AGENDA
CITY OF CREVE COEUR
CITY COUNCIL AND EMPLOYEE PENSION BOARD
300 NORTH NEW BALLAS RD
SEPTEMBER 29, 2020
6:00 PM

As a precautionary measure to help prevent exposure and spread of COVID-19, the City Council Joint Work Session meeting scheduled for Tuesday, September 29th, 2020, at 6:00 p.m. will be livestreamed online.

The Council Chambers will be closed to the public; however, citizens are encouraged to participate and submit public comments in the following ways:

1. **Video Livestream** — Watch a live video broadcast of the City Council meeting here https://us02web.zoom.us/j/88920177493.
   The public will be required to provide a name and email address to enter the meeting. The email address will not be saved or used to contact you. Citizens will have the opportunity to make public comments live during the meeting using the video livestream program (How to Participate in Online Public Meetings).
2. **Teleconference** — Call in to the meeting by dialing 1 646 876 9923 /// Webinar ID: 889 2017 7493
3. **Email** — Public comment may also be emailed to the city clerk no later than 5:00 p.m. on the day of the meeting. Submit public comments to Deborah Ryan, City Clerk, at dryan@crevecoeurmo.gov.
4. **Live Audio** — Listen to a live audio broadcast of the City Council meeting by visiting the Agendas & Minutes page and clicking on the "Audio" link at the start of the meeting (audio only).

CALL TO ORDER

ROLL CALL

DISCUSSION ITEMS

1. **Approval of July 13, 2020 City Council Work Session Meeting Minutes**

2. **Pension Fund Investment Consulting Services**
   Summary: The Pension Board recently completed a Request of Proposal for Pension Fund Investment Consulting Services, and will review the process and outcome with the City Council.

Pursuant to Section 610.022 RSMo., the City Council could, at any time during the meeting, vote to close the public meeting and move to closed session to discuss matters relating to litigation, legal actions and/or communications from the City Attorney as provided under Section 610.021(1) RSMo. and/or personnel matters under Section 610.021(13) RSMo. And/or employee matters under Section 610.021(3) RSMo. and/or real estate matters under Section 610.021(2) or other matters as permitted by Chapter 610.

Posted: ____________________________ posted 09/24/2020
Deborah Ryan, MPCC
City Clerk

WORK SESSION MEETING
MINUTES
CITY OF CREVE COEUR
CITY COUNCIL
300 NORTH NEW BALLAS RD
JULY 13, 2020
6:00 PM

CALL TO ORDER

A regular meeting of the City Council of the City of Creve Coeur was called to order by Mayor Glantz at the City Council Chamber, 300 North New Ballas Rd, City of Creve Coeur Government Center, Creve Coeur, MO 63141 on Monday, July 13, 2020 at 6:00 PM.

Council Member, Ward 2 Ellen Lawrence
Council Member, Ward 3 Robert Hoffman
Council Member, Ward 3 Charlotte D'Alfonso
Council Member, Ward 4 Scott Saunders
Council Member Ward 4 Dan Tierney
Council Member, Ward 1 Alexis Travers
Council Member, Ward 1 Heather Silverman
Council Member Ward 2 Nicole Greer

ROLL CALL

This meeting was conducted primarily by means of Zoom and live audio streaming, and public access was also available via the internet in this manner. These departures from normal meeting procedures and requirements were necessitated by the COVID 19 public health emergency and related government orders.

Staff Present: Public Works Director Jim Heines, City Administrator Mark Perkins, Asst City Administrator Sharon Stott, Assistant City Attorney Stephanie Karr, Chief Eidman, Sgt Wiginton, Crime Prevention Officer Granstaff

DISCUSSION ITEMS

1. Approval of May 26, 2020 City Council Work Session Meeting Minutes

The vote on the motion being 8 ayes and 0 nays, motion carried.

RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Heather Silverman, Council Member, Ward 1
SECONDER:	Ellen Lawrence, Council Member, Ward 2
AYES:	Glantz, Lawrence, Hoffman, D'Alfonso, Saunders, Tierney, Travers, Silverman, Greer

2. Approval of June 8, 2020 City Council Work Session Meeting Minutes

The vote on the motion being 8 ayes and 0 nays, motion carried.

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RESULT:	**ACCEPTED [UNANIMOUS]**
MOVER:	Robert Hoffman, Council Member, Ward 3
SECONDER:	Heather Silverman, Council Member, Ward 1
AYES:	Lawrence, Hoffman, D'Alfonso, Saunders, Tierney, Travers, Silverman, Greer

3. Police Department Policies and Training

Sergeant Wiginton presented and reviewed the Creve Coeur Police Department's Fair and Impartial Policing policy. (Exhibit A)

Officer James Granstaff presented and reviewed the Creve Coeur Police Department's Police Use of Force policy. (Exhibit B)

Council Member Hoffman asked if an officer sees a weapon in a vehicle and officer draws weapon, is that considered use of force.

Chief Eidman stated yes.

Council Member Hoffman asked if an officer takes down an animal, is that considered use of force.

Chief Eidman stated yes.

Council Member Lawrence asked if the CCPF have a social worker on call.

Chief Eidman stated the department has several resources for crisis intervention calls. Most CCPD Officers are trained, approximately 96% in crisis prevention and the remaining will be attending training as soon as it is available. Due to the pandemic, many training classes scheduled have been postponed.

Council Member Tierney asked if there are external reviews of use of force.

Chief Eidman stated there is a Risk Liability Unit that reviews all police policies and there is also review by the Police and Safety Committee.

Council Member Greer asked if there are plans to have the entire force CIT certified.

Chief Eidman stated those that are not currently trained are the new hires and the plan is to have everyone trained as soon as training is rescheduled.

Council Member Greer asked if there are CIT trained personnel on call.

Chief Eidman stated most officers have training and try to always have two officers on each shift.

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Council Member Greer asked how many black officers are there on staff.

Chief Eidman stated CCPD has 3 or 6.5% of the PD are African American, which are reflective of our demographic. The city population has about 6.6% African American, 11% Asian, 80% whites, 2% Hispanic, 41 male and 6 female officers. CALEA has requirements for diversity.

Council Member Greer asked if there are plans for a Town Hall.

Chief Eidman stated yes, but will probably be held via ZOOM.

Council Member Greer asked with new hires, does their previous background, disciplinary actions get shared with Creve Coeur before they are hired.

Chief Eidman stated it is State Law and required to share all information on officers.

Council Member Silverman asked how many use of force recorded for CCPD is there annually.

Chief Eidman stated that information is listed on the city's website.

Chief Eidman stated he received the following questions from Greg and Judy Campbell prior to the meeting:

- What is the racial breakdown in regard to traffic stops? How does this compare to the racial composition of the City?

Key Ind	Total	White	Black	Hispanic	Asian	Am Ind	Other	
Stops	7973	5709	1810	91	302	8	53	
Local pop	n/a	80.24	6.68	2.39	9.33	0.14	1.22	
Arrests	294	128	160	3	3	0	0	

- Is there a ban on the use of chokeholds and similar restraints?

  The CCPD does not use choke holds, in our Use of Force policy the use of chokeholds is banned.

- Do CCPD use no knock warrants?

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Search warrants are filed through the use of a sworn affidavit under the supervision and sign off of the Prosecuting Attorney's office. A No-knock warrant is the decision of the issuing judge. We have not requested any No-knock search warrants when seeking search warrants.

· What is the racial composition of the CCPD?

Total by Gender	Officers	% of Total Officers
Male	41	89%
Female	5	11%
African American males	3	6.5%
African American females	0	0%
Asian Males	1	2%
Asian Females	0	0%
Caucasian Males	37	80%
Caucasian females	5	10.9%

· Does the CCPD utilize any surplus military equipment?

The CCPD has no military equipment.

· Does CCPD have dash and body cameras for our officers?

The CCPD has had in-car video cameras for many years and continues to use in-car video cameras. We have been using body cameras intermittently for the last several years. This fiscal year, the PD purchased 17 new replacement in-car video cameras and 40 body cameras for all patrol officers.

· Is there a policy preventing officers from kneeling on the necks of those being restrained?

The CCPD does not teach or condone any sort of kneeling on the necks of a suspect/subject. The Use of Force policy prohibits it.

· Do we have an oversight board?

The CCPD has an internal Risk Litigation Unit that reviews Use of Force report and use, biased based complaints, racial profiling numbers and stops. The unit is separate from the patrol division and consists of two captains that make a recommendation to the chief upon review.

· Is all information on controversial incidents available to the public?

An annual Use of Force Analysis is completed and posted on the PD web page. The

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department has a Public Information Officer, a Crime Prevention Officer who with regularity pushes out information and a facebook/twitter account that is used with regularity.

Adjourned at 6:53 pm

RESULT:	**ITEM DISCUSSED**

MEMORANDUM

DATE: September 23, 2020

TO: Mark Perkins, City Administrator

FROM: Lori Obermoeller, Director of Finance

SUBJECT: Request for Proposal (RFP) for Pension Fund Investment Consulting Services

In May 2020, the Employee Pension Board of Trustees decided to issue a request for proposal for investment consulting services. Twenty-five RFPs were sent to investment advisory firms that had submitted an RFP in the past or had asked to be included in the process. The Board received 18 proposals.

A spreadsheet was put together of all of the important points asked in the RFP and the answers from each of the firms, as well as a spreadsheet comparing the costs of each. The Board met on June 15th to discuss the proposals. It was decided at this meeting that there would not be a sub committee to review the proposals, instead the Board would be involved in the entire process. Each Board member would review each proposal, as well as the spreadsheets that were created, and come back on June 25th with their top six firms.

At the June 25th meeting, every Board member gave their opinion on the top six firms to bring in for an interview. Some of the key things that were important to the Board in picking their top six were as follows: location, fees, travel expenses, if not located in St. Louis, styles of investing or investment philosophy, ability to provide fiduciary training, Active vs. Passive management, experience with public funds and philosophy on Growth vs. Value investments. During this meeting, the Board couldn't pick just six, so they went with seven firms to bring in for an interview. The seven firms were ACG, Colonial, Commerce Bank, Dahab, Fiduciary Advisors, Plancorp and Sunpointe. Two of the Seven firms were our existing pension fund consultants (Fiduciary Advisors and Commerce Bank).

Interviews consisted of three different days in July with each interview lasting at least 45 minutes for a total of about 5.5 hours for the 1st round of interviews. A list of questions were put together by the entire Board and were distributed to each of the firms to answer in their interview.

The Board met again on July 31st to discuss the 1st round of interviews and to narrow the selection down to three firms for a 2nd round of interviews. The three firms picked were Dahab, Fiduciary Advisors and Sunpointe.

The 2nd round of interviews were held on September 10 and each firm were given specific questions to address during these interviews. The Board met again on September 11th to see if they could agree on one of the three firms. After a lot of discussion on September 11th, there was a consensus to go with Sunpointe. There was a motion and a second made to have Sunpointe serve as the next Pension Fund Investment Consultant under the Passive only management option, with all voting aye except one who had left the meeting early, but had voiced Sunpointe as his preference, and one Board member who had abstained. However, the one that had abstained did state that Sunpointe was his 2nd choice.

Being local, providing educational training and having passive management only as an option were all key decision-making factors in picking Sunpointe. A decision has not been made about the Fixed portion of the Investments with Commerce Bank or who will be issuing the benefit checks to retirees. Once Sunpointe is appointed, which might be as early as October 1, 2020, then the Board will work with them on figuring out who will manage the Fixed portion of the investments.

It was noted during the September 11th meeting, that Fiduciary Advisors has done a great job. They increased the funding level from 62% to over 80% and there were two rate of return reductions while working with the Board these past seven years.

I have attached the RFP, the proposal from Sunpointe and the cost comparison spreadsheet for your information. I would be pleased to respond to any questions.

PENSION FUND CONSULTING SERVICES
REQUEST FOR PROPOSAL (RFP)
CITY OF CREVE COEUR EMPLOYEE PENSION PLAN

The City of Creve Coeur is evaluating consultants who can work with the City's Employee Pension Board to help manage the pension fund for the benefit of city employees, including our police department.

General Information

The Creve Coeur Employee Pension Board of Trustees is responsible for overseeing the defined benefit pension funds for a portion of the Creve Coeur employees. The Board has seven voting members comprised of five citizens and two employee members. The citizens include a representative from the Finance Committee, a City Council member and three other citizens. Hereafter the term "Board" shall mean all members of the Board.

The pension fund balance totals approximately $25 Million in assets. Currently, the funds are managed with an asset allocation of 70% equity and 30% fixed income. A current investment policy has been included. Annual contributions are approximately $1.4 million and distributions are approximately $2 million.

The Commerce Trust is the current investment manager, custodian and paying agent for the fixed income investments. Fiduciary Advisors is the current consultant and investment manager for the equity investments.

This Plan is a "Closed Plan", meaning only full-time employees hired before June 1, 2006 are eligible to participate in this Plan. As of the last actuarial report, the plan includes 36 Active Participants, 81 Retired Participants and 29 Terminated Vest Participants for a total of 146 Members. For more information on the Plan, the actuarial report can be found on the City's website (http://www.creve-coeur.org/1032/Retirement-Plans).

In preparing this RFP, we have developed a list of criteria and functions for an investment consultant. The City seeks proposals from firms who meet these criteria and offer the services outlined below. The Board plans to review the proposals and invite a small number (3-5) to participate in interviews. The RFP process will begin on May 1, 2020 and proposals will be due by 2:00 p.m. May 21, 2020.

Criteria

- Independent – not benefiting from any specific type of investment more than another.
- Core business needs to be consulting and/or investment management services.
- Knowledgeable, deep research in all asset classes and investment services.
- Strong consultant to interact with committee, plus team of support (not overly reliant on one consultant)
- Ability to process pension payments or coordinate with an outside processor.
- Previous experience working with governmental defined benefit pension plans.
- Provide both hard copies (10) and a digital version of the RFP.

Core functions

- Help us to develop and maintain our investment policy statement.
- Plan asset allocations annually and monitor regularly to keep us on track.

- Recommend modification if there are significant changes in markets and bring to our attention any need or concern for changes.
- Provide research and recommendations for investments in each asset class.
- Follow recommended investments closely and meet with the Pension Board quarterly in person, monthly or as needed by phone.
- Provide monthly reporting of portfolio performance and statements.
- Work with our City staff to provide guidance in sourcing funds, opening new accounts, as well as tracking liquidity of investments for pension payments.
- Work with investment managers, funds and custodians to insure timely reporting of year-end financials as well as quarterly updates.

Profile of your Company

1. Describe your firm's core mission, vision and values.

2. Provide a summary of your firm. Include the location of your organization's headquarters and other offices, number of employees, depth of professional and support staff, % of revenues generated from consulting services.

3. Provide a short description and approximate size (smallest, average, largest), of clients with municipal plans, and/or pension plans and number of clients for which you provide investment consulting services within this space and overall.

4. Is your firm, its parent or affiliate a broker/dealer?

5. Where are client's assets held in custody? Are all these assets managed?

6. Provide biographies of key individuals in your firm. Include information on education, employment history, home office location and number of years with the firm.

7. Describe your firm's current succession plan.

8. Provide information on your firm's service model and the professionals who would service our relationship.

9. Describe your firm's compensation arrangement for professional staff. Describe any circumstances under which your firm or any consultant in your firm receives compensation for finder's fees by investment managers.

10. Provide copies of your conflict of interest and code of conduct policies.

11. Please describe the financial condition of your firm, parent, or affiliate. Within the past five years, have there been any changes in ownership or restructuring? If anticipated, describe any future, significant changes in your firm.

12. Describe the firm's commitment to expenditures on its consulting division.

13. Is your firm a registered investment advisor under the Investment Advisors Act of 1940? (If so, please provide latest Forms ADV I and II). Can your firm provide fiduciary services to its clients?

14. Has your organization, officer or principal been involved with any business litigation or other legal proceedings relating to your consulting activities? Current status or disposition? Any negative press or Social Media issues?

15. Please describe the levels of coverage for errors and omissions and other fiduciary or professional liability insurance carried by your firm.

Scope of Consulting Services

1. Does your firm have an investment committee? If so, who is on it?

2. Please provide your firm's investment philosophy.

3. Describe the process you will use to help the Pension Board achieve the following:

   a. An appropriate strategic asset allocation strategy

   b. A sound governance structure

   c. Appropriate investment policy statements with clear objectives

   d. Disciplined rebalancing

   e. Tactical asset allocation changes

4. Describe the firm's capabilities and approach regarding alternative investments, specifically hedge funds and non-marketable alternative investments and private equity.

5. Explain your philosophy toward utilizing index funds and ETFs vs. active management.

6. What is your process for assessing risk in any portfolio?

7. Have you made tactical asset allocation changes in the past 3 years? If so, describe.

Research Capabilities and Manager Searches within your database

1. Provide a general description of your research department. If no separate department exists, describe how this function is performed.

2. What asset classes do you actively follow? How many have been added or subtracted in recent years? Please provide performance by asset class.

3. How many analysts employed by your organization are responsible for investment manager research?

4. Provide a detailed description of your firm's manager evaluation process. How many investment managers do you currently track? What criteria are important to you?

5. Describe the process you will use to conduct manager searches for our fund.

6. Describe the circumstances under which you would terminate an investment manager. How many have you terminated in the past 3 years? Please describe reasons for each.

Monitoring and Measuring Performance

1. Do you utilize model portfolios? What has the composite performance of your client portfolios been over the past one, three and five year periods? How have your client's portfolios performed in relation to their blended benchmarks and peer groups? Do you have access to peer group performance data? Is your performance measurement GIPS compliant? What percentage of your clients are discretionary vs non-discretionary?

2. How is a portfolio's performance measured? How is it audited? Describe your firm's philosophy and approach regarding the use of benchmarks. How do you determine the appropriate benchmark? How is a manager's performance measured against the benchmark and its peers? Do you suggest using a blended benchmark for portfolio measurement purposes?

3. Based upon our current Investment Policy, what asset allocation would you recommend for the Creve Coeur Pension? What managers would you recommend? What would their costs be? How have these managers performed on an absolute and risk adjusted basis? How much risk is there in your recommended portfolio vs our current portfolio?

4. Would you recommend any changes to our current Investment Policy Statement?

5. Describe the performance measurement software your firm uses. Is this software proprietary, or does your firm utilize the software of an outside vendor? If your firm uses non-proprietary software, do you have the ability to influence changes to the software to meet the demands of the marketplace?

6. How soon after the quarter-end are your reports available? Please provide a comprehensive client quarterly report.

Miscellaneous

1. Describe how a new client would transition to your services including cost basis and performance data?

2. Describe disaster recovery plans and other contingency plans that are in place for potential interruptions.

3. Describe three aspects of your firm that distinguish it from competitors.

4. Provide a representative client list plus five retirement plan references, including at least three government plan references, contact information and plan summaries.

5. What services does your firm provide for the education of the Pension Board members?

6. How many clients have you lost in the last 3 years and please indicate the reasons why they left.

7. What ESG initiatives or policies has your organizations implemented or considering?

8. What client data and security initiatives have you implemented to safeguard our data and access to accounts?

Fees and Fee Structure

Please provide a detailed outline of your fee structure for all services contained in your proposal, including consulting. In addition, please, distinguish between fixed fees and asset-based fees. Comment on all fees, including potential fees associated with different investment solutions, management, asset based, hidden fees, trading, etc.

Contact for Questions and Submission

Questions should be directed to Lori Obermoeller, Director of Finance, contact information is provided below.

Please direct proposals both by email and hard copy marked "RFP-Pension Fund Consulting Service" to:

Lori Obermoeller, MBA, CPFO
Director of Finance, City of Creve Coeur
300 N. New Ballas Road
Creve Coeur, Missouri 63141
314-872-2519
lobermoeller@crevecoeurmo.gov

Sunpointe Investments

PENSION FUND CONSULTING SERVICES REQUEST FOR PROPOSAL (RFP)

CITY OF CREVE COEUR EMPLOYEE PENSION PLAN

May 2020

Profile of Your Company

1. **Describe your firm's core mission, vision and values.**

   Sunpointe provides thoughtful, high impact and transparent investment guidance with unparalleled client service, enabling clients to simplify their investment process and achieve their long-term financial objectives. We are not a "volume" oriented firm. We are a tight knit group of professionals that have worked together for many years, with roots in the investment consulting industry. Our vision is to work with a small group of investment consulting clients (25 is our vision over the next five years) and provide them with exceptionally deep advice and service. Many of our clients have been with our team for over 10 years, following us through two firm transitions. This is a testament to the seriousness with which we take our role, not only as investment advisors but also a partner in many non-investment aspects of the client relationship.

2. **Provide a summary of your firm. Include the location of your organization's headquarters and other offices, number of employees, depth of professional and support staff, % of revenues generated from consulting services.**

   Sunpointe was founded in 2016 by Michael Pompian as a response to being directly affected by the consolidation in the financial services industry that he viewed as more beneficial to firms' shareholders than to their clients. His former team joined him a year later. As an independent firm, our focus is centered on the needs and aspirations of our clients. The name Sunpointe refers to the bright light of ***transparency*** that we believe should shine on performance, fees, and conflicts of interest in our industry. **100% of our revenue is generated from consulting services.**

   Sunpointe has three offices. The headquarters in St. Louis has three investment professionals and five total employees. Offices in Alexandria, Virginia and Ann Arbor, Michigan have one investment professional each.

Name	Education	Experience	Role	Prior Firms
Michael Pompian, CFA, CAIA, CFP	Tulane University	27	Founder and CIO	Mercer, Hammond, Merrill Lynch, PNC Bank
Jack Dwyer, CFA, CAIA	University of Notre Dame	19	Managing Director	Mercer, Hammond, AG Edwards
Corey Wangler	Alma College	10	Principal	Mercer
Mehmet I. Budak	The Wharton School	19	Senior Advisor	Goldman Sachs, Carlyle
Angela Pompian	Columbia University	23	Chief Compliance Officer, Operations	Pfizer, J&J
Paul Schulz	University of Dayton	4	Head of Reporting	Mercer
Vaibhav Baheti	Washington University	6	Intern Analyst	Goldman Sachs

We outsource part of our research to several investment firms. We do this purposefully for two main reasons. First, we believe that our time can be better spent with our clients versus managing an investment research staff. Second, our experience is that with too many in-house researchers, an overly narrow "firm view" develops that is closed to new ideas.

Our primary outsourced research resource is Conway Investment Research in Clayton, a few blocks from our office. Their staff is listed on the next page. Sunpointe and Conway work closely together and actually shared office space for almost the first two years of Sunpointe's existence. Our work together focuses primarily on alternatives research, macroeconomic analysis, and asset class analysis.

Todd Baur Principal 25 years	**Tom Margulis** Principal 24 years	**Roger Brown, CFA** Principal 18 years
Jeremy Bell Principal 20 years	**Warren Holmes, CFA** Director 10 years	**John Feeley** Director 25 years
Mike Mileusnic, CFA Vice President 13 years	**Nick Millman** Associate 6 years	**Zac Ackerman** Associate 3 years
Jonathan Huelman Software Developer 6 years	**Shannon Spradlin** Analyst 1 year	**Mike Odenwald** Analyst 3 years
Joyce Lin Analyst <1 year	**Alex Poynter** Analyst <1 year	

3. **Provide a short description and approximate size (smallest, average, largest), of clients with municipal plans, and/or pension plans and number of clients for which you provide investment consulting services within this space and overall.**

   We work with 14 clients with total assets of $2.5 billion as of 12/31/19. Client assets range from $3 million to $759 million with a mean of $179 million and a median of $53 million.

   We currently do not have any municipal or pension plan clients. However, we do have experience working with both municipalities and pension plans during our tenures at one of the largest defined benefit consultants in the world.

4. **Is your firm, its parent or affiliate a broker/dealer?**

   No, we purposely are not, to avoid conflicts of interest.

5. **Where are client's assets held in custody? Are all these assets managed?**

   Our clients' assets are custodied across several custodians, including Schwab, JPMorgan, Morgan Stanley, Fidelity, and BNY Mellon, among others. We are "custody agnostic" but do have a preference for Schwab Institutional due to our aggregation of assets there, allowing our clients access to investment products that may have lower fees or otherwise may not be available to smaller clients.

   Approximately 2% of assets are discretionary while 98% are non-discretionary.

6. Provide biographies of key individuals in your firm. Include information on education, employment history, home office location and number of years with the firm.

Michael Pompian, CFA, CAIA, CFP *(St. Louis Office)*

Michael is the Founder and CIO. He was formerly a Partner at Mercer Investment Advisory for 10 years and was the National Segment Leader for the private wealth business. He consulted to the firm's largest family office clients and was responsible for overseeing $8 billion. Prior to joining Mercer, Michael was a Wealth Management Advisor with Merrill Lynch and a Private Banker with PNC Private Bank. He also served on the investment staff of a single-family office.

Michael has written five books: Advising Ultra Affluent Clients and Family Offices (Wiley 2009), Behavioral Finance and Wealth Management (Wiley 2006), Behavioral Finance and Wealth Management 2nd Edition (Wiley 2012) and Behavioral Investor Types (Wiley 2013), Behavioral Finance and Your Portfolio (2020).

He earned an MBA in Finance from Tulane University and a B.S. in Management degree from the University of New Hampshire. Michael holds the following designations: Chartered Financial Analyst (CFA), Chartered Alternative Investment Analyst (CAIA), Certified Financial Planner (CFP®) and Certified Trust Financial Advisor (CTFA). Michael is a member of the CFA Institute, the New York Society of Securities Analysts (NYSSA) and the CFA Society of St. Louis. He is a regular speaker at investment conferences. He is married with three children.

Jack Dwyer, CFA, CAIA *(St. Louis Office)*

Jack joined Sunpointe in 2017 as the Managing Director. Jack works with clients on investment policy creation, asset allocation, and investment manager selection. Prior to joining Sunpointe, Jack consulted to family offices for over 10 years at Mercer and was the firm's National Segment Leader for its private wealth business. Jack joined Hammond Associates in 2006 and was a Senior Consultant and owner when Mercer acquired the firm in 2011. Jack previously traded Municipal and Corporate bonds for five years at A.G. Edwards. As a member of the US Army National Guard, he commanded a 184-person Engineer Bridge Company deployed to Tallil, Iraq during 2004-2005.

Jack graduated cum laude from the University of Notre Dame with a BBA in Finance and Business Economics and earned an MBA from the Olin School of Business at Washington University in St. Louis. Jack has earned the Chartered Financial Analyst (CFA) and Chartered Alternative Investment Analyst (CAIA) designations and is a member of the CFA Institute and the CFA Society of St. Louis.

Jack is actively involved in a variety of volunteer organizations. He is a current board and investment committee member at Our Lady's Inn and has served as an alumni board member for Chaminade College Preparatory. He is a past President of the CFA Society of St. Louis and a Board Member and past President of the Notre Dame Club of St. Louis. Jack has been recognized as the member of the year by both the Notre Dame Club of St. Louis and CFA Society of St. Louis. In 2018, he was recognized by CFA Institute as one of six global volunteers of the year.

Corey Wangler ***(Ann Arbor Office)***

Corey joined Sunpointe in 2018 as an Investment Advisor. He works with clients on investment policy creation, asset allocation, and investment manager selection. Corey was formerly a Principal Consultant at Mercer, where he advised on $1.8 billion in assets during his five-year tenure, including providing services on over $1.2 billion in non-profit assets, **including defined benefit plans**. Prior to joining Mercer, he served three years as a financial analyst in the commercial division of Firstbank.

Corey graduated magna cum laude with a BA in Business Administration from Alma College. He holds an MBA from Central Michigan University and an MS in Finance from the University of Colorado, a CFA Institute recognized program.

Mehmet I. Budak ("MB") ***(Alexandria Office)***

MB joined Sunpointe in 2019 as a Senior Advisor, specializing in direct investing and wealth advisory services. He is also the Founder/Owner of Bessley Capital LLC, established in 2010, that makes principal investments into niche private funds (AuM $100-400m) and direct co-investments across Seeds, Series A/B, Growth PE and Special Situations and Yielding Assets (focus on lower middle market).

Previously, MB was Senior Advisor with Credit Suisse Switzerland (2014-2017), Principal of CoastEdge LLC (Investment Office in the U.S. / 2012-2014), Principal of TFO Investments (Investment Office in the Middle East / 2010-2011), Head of EMEA of Marathon Asset Management (2007-2009), U.S. Buyout Investment Executive with The Carlyle Group (2003-2007), and an Investment Banker with Goldman Sachs (2001-2003).

MB received his M.B.A from the Wharton School and B.S. from the United States Military Academy (West Point).

7. **Describe your firm's current succession plan.**

Michael Pompian is the primary owner of the firm and has no plans for retirement. The Sunpointe LLC operating agreement has provisions that facilitate ownership transfer (buy-sell) to other owners in the event of an accident or similar circumstance.

8. Provide information on your firm's service model and the professionals who would service our relationship.

Our firm takes a team approach to serving clients. The CCEPP would have a single point of contact for daily/weekly interactions in Jack Dwyer. Jack has deep experience coordinating client relationships. CCEPP would be supported by our entire firm and specifically by the following:

Name	Responsibility	Experience (years)	Sunpointe Tenure (years)
Michael Pompian	Chief Investment Officer	26	4
Jack Dwyer	Advisory and relationship manager	19	3
Corey Wangler	Analytics, risk control, research	10	2
Mehmet Budak	Manager research	19	1

9. Describe your firm's compensation arrangement for professional staff. Describe any circumstances under which your firm or any consultant in your firm receives compensation for finder's fees by investment managers.

Compensation is comprised of a base salary, performance bonus, and potential ownership incentives. We adamantly avoid receiving any compensation from money managers.

10. Provide copies of your conflict of interest and code of conduct policies.

Sunpointe has a written Code of Ethics that is reviewed annually and included in Appendix I. Compliance is overseen by the Chief Compliance Officer and monitored by every team member. We have not had any violations or any complaints.

11. Please describe the financial condition of your firm, parent, or affiliate. Within the past five years, have there been any changes in ownership or restructuring? If anticipated, describe any future, significant changes in your firm.

Sunpointe was founded in January of 2016 and has distributed ownership to three investment professionals. We have no pending merger, acquisition, or divestiture activities. We have the desire to continuously add capabilities to our firm and from time to time will engage in discussions with parties who may wish to invest in our firm. With any of these conversations we do not ever envision a scenario in which Michael Pompian and other internal staff will not retain majority ownership and control.

12. Describe the firm's commitment to expenditures on its consulting division.

We expect to expand our staff thoughtfully over the next three years, potentially adding 3-4 team members based on client growth and needs. While we are very comfortable about our capacity to serve our clients at the present time, we are conscious of maintaining a high consultant-to-client ratio as the firm grows given this was one of our frustrations while working for a larger firm. Our clients come first, as evidenced by long term clients following us through firm transitions.

13. **Is your firm a registered investment advisor under the Investment Advisors Act of 1940? (If so, please provide latest Forms ADV I and II). Can your firm provide fiduciary services to its clients?**

    Sunpointe is a registered investment advisor registered at the SEC level. Form ADV Part I and II is enclosed in Appendix II. Providing fiduciary services is an area of focus for Sunpointe.

14. **Has your organization, officer or principal been involved with any business litigation or other legal proceedings relating to your consulting activities? Current status or disposition? Any negative press or Social Media issues?**

    None

15. **Please describe the levels of coverage for errors and omissions and other fiduciary or professional liability insurance carried by your firm.**

    We are insured by Markel American Insurance Company, with the policy provisions as below:

Limits Of Liability And Retentions		
Insuring Agreement	**Limits Of Liability**	**Retentions**
1. Investment Adviser Professional Liability Insurance:	$1,000,000 Each Loss	$75,000 Each Loss
2. Professional Liability Insurance:	Not Covered Each Loss	Not Covered Each Loss
3.a. Directors And Officers Liability Insurance:	$1,000,000 Each Loss	Not Applicable
3.b. Directors And Officers Liability Insurance:	$1,000,000 Each Loss	$75,000 Each Loss
3.c. Directors And Officers Liability Insurance:	$1,000,000 Each Loss	$75,000 Each Loss
Fiduciary Liability Insurance:	Not Covered Each Loss	Not Covered Each Loss
Voluntary Settlement Programs:	Not Covered Each Loss	Not Applicable
Aggregate Limit Of Liability: $1,000,000	All losses under all purchased Insuring Agreements combined	

Scope of Consulting Services

1. **Does your firm have an investment committee? If so, who is on it?**

   Yes, it is comprised of Michael Pompian, Jack Dwyer, Mehmet Budak, Corey Wangler, and Paul Schulz. Additionally, on a quarterly basis we invite Conway to our committee meetings to have a broader discussion of the markets, the macroeconomic environment, investment managers, and an entire host of unique timely issues.

2. Please provide your firm's investment philosophy.

Below are the four guiding principles to our investment philosophy:

I. Managing Behavior Enhances Investment Results
- Be aware of the behavioral biases of both ourselves and our clients
- Stay invested during market downturns, rebalance
- Employ systematic, not emotional, investment solutions when appropriate (de-risking and liability-hedging for defined benefit plans)

II. A Blend of Active and Passive Investing Is the Best Solution
- In our experience, there is not a long-term, consistent active/passive approach that is superior across all market environments. Therefore, we recommend an adaptive approach that considers cost, efficiency of a given asset class, the current market environment, and desire for downside protection when designing a client portfolio.
- Sunpointe specializes in researching and identifying "small" (less than $500M) specialized managers with competitive advantages. Our large average client size, yet modest total assets, make us an ideal firm for these niche managers to work with. Retail advisors and mega firms underutilize these types of funds in our experience.

III. History Informs but Does Not Guide the Future
- While we still believe in investing with a "margin of protection," Ben Graham and early Warren Buffet's economy is not the same economy today; the market and the companies that operate in it have fundamentally changed.
    - Historically, company assets were tangible; today companies invest in more intangible assets. These assets are expensed, not capitalized, which means they do not show up in book value.
- New economy "growth" companies with low debt, high intellectual capital, and strong competitive advantages are driving the future forward. COVID-19 is accelerating the transition to the new economy.

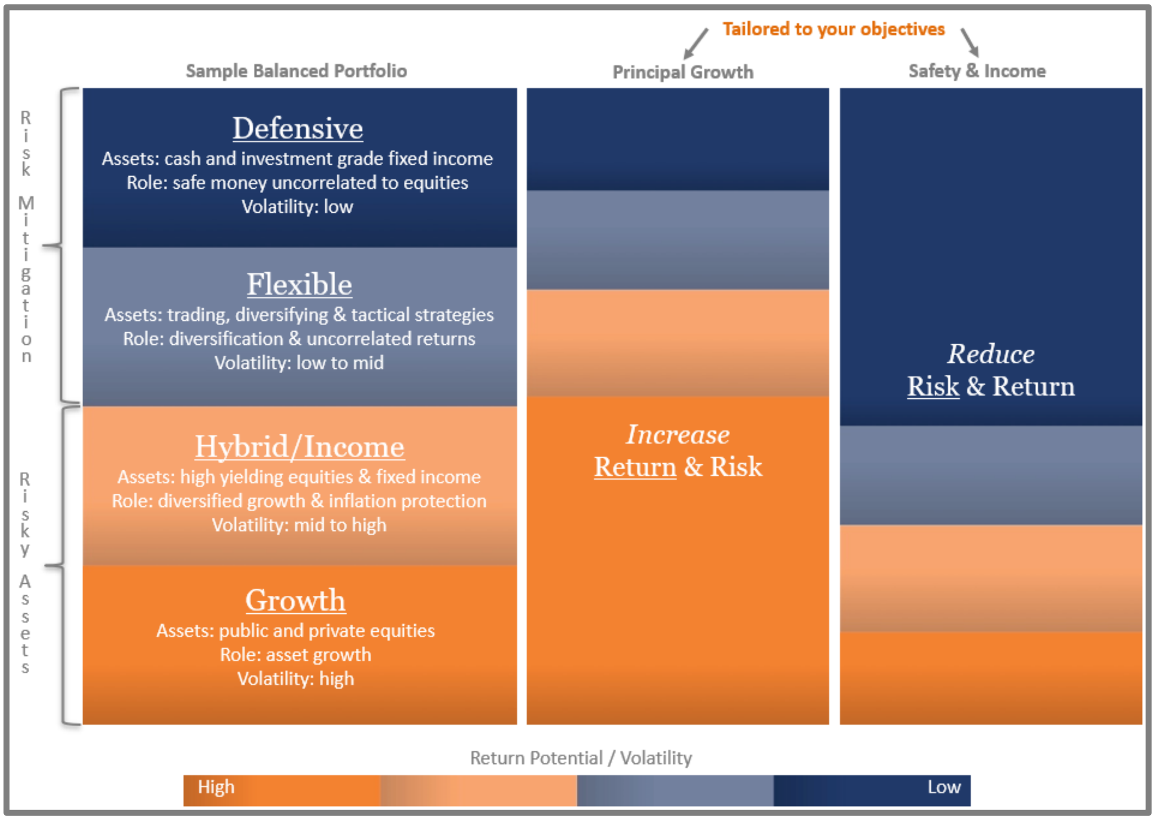
IV. Investing With a "Margin of Protection" Is the Foundation of our Portfolio Management Approach
- Maintain an appropriate time horizon and risk tolerance level
- Starting valuations matter
- Diversification manages risk: uncorrelated strategies help during market volatility
- Employ systematic risk management strategies where appropriate (de-risking and liability hedging for pension plans - acknowledging that the consequences of being underfunded are more impactful than the benefit of being incrementally overfunded).

3. Describe the process you will use to help the Pension Board achieve the following:

a. An appropriate strategic asset allocation strategy

We understand that each of the stakeholders is a human with their own set of experiences and biases. Our approach is to assess both the portfolio's time horizon and *ability* to take risk along with the stakeholders' *willingness* to take risk. This process is outlined in Michael's paper "Risk Profiling Through a Behavioral Finance Lens" which we have included with this response in Appendix III. Within that framework, we survey stakeholders and compile responses while providing targeted education to help mitigate any identified biases and move outliers toward consensus to arrive at clear targets for these important objectives. As part of this process, we add a quantitative layer per the steps below:

- Gather information regarding the duration of the projected benefit obligations (PBO)
- Identify the current funding status
- Present the Board with risk and return modeling of portfolios of various risk levels, focusing on the impact of best-, base-, and worst-case scenarios on the portfolio's funding status
- Present the Board with best-, base-, and worst-case scenarios related to non-investment risk (PBO's sensitivity to interest rates)



b. A sound governance structure

- Assist the Board in identifying the roles of all parties involved
- Create a process to ensure all parties are being held accountable for fulfilling their roles
- Document governance protocols in the IPS

c. Appropriate investment policy statements with clear objectives

- We find that we are often working with clients to refine an existing investment policy statement (IPS) using the results of the client survey process described above. We do have a template and checklist of items that we believe are important to include in the investment policy statement. Once we feel we have achieved consensus, we create a draft investment policy statement for review and discussion among the stakeholders. Finally, we make any necessary revisions and formally adopt the IPS.

d. Disciplined rebalancing

- The IPS should include agreed-upon rebalancing thresholds. For us, this is typically 2% deviations from targets.
- In addition to disciplined rebalancing, we feel it is prudent for pension plans to use both systematic glide path de-risking in response to funding status changes and systematic duration hedging of the PBO in response to interest rate levels.

e. Tactical asset allocation changes

- Tactical asset allocation recommendations are made based on our macroeconomic and manager research.
- We provide a quarterly market environment report including our updated views and relative attractiveness of asset classes.
- In the event we feel a tactical shift would benefit the portfolio, we provide the Board with detailed, yet concise recommendation rationale and partner with the Board in deciding whether the recommendation should be implemented.

4. Describe the firm's capabilities and approach regarding alternative investments, specifically hedge funds and non-marketable alternative investments and private equity.

Sunpointe specializes in researching and identifying small, niche managers with competitive advantages. Our large average client size, yet modest total assets, make us an ideal firm for these niche managers to work with. Retail advisors and mega firms often cannot access these funds.

5. Explain your philosophy toward utilizing index funds and ETFs vs. active management.

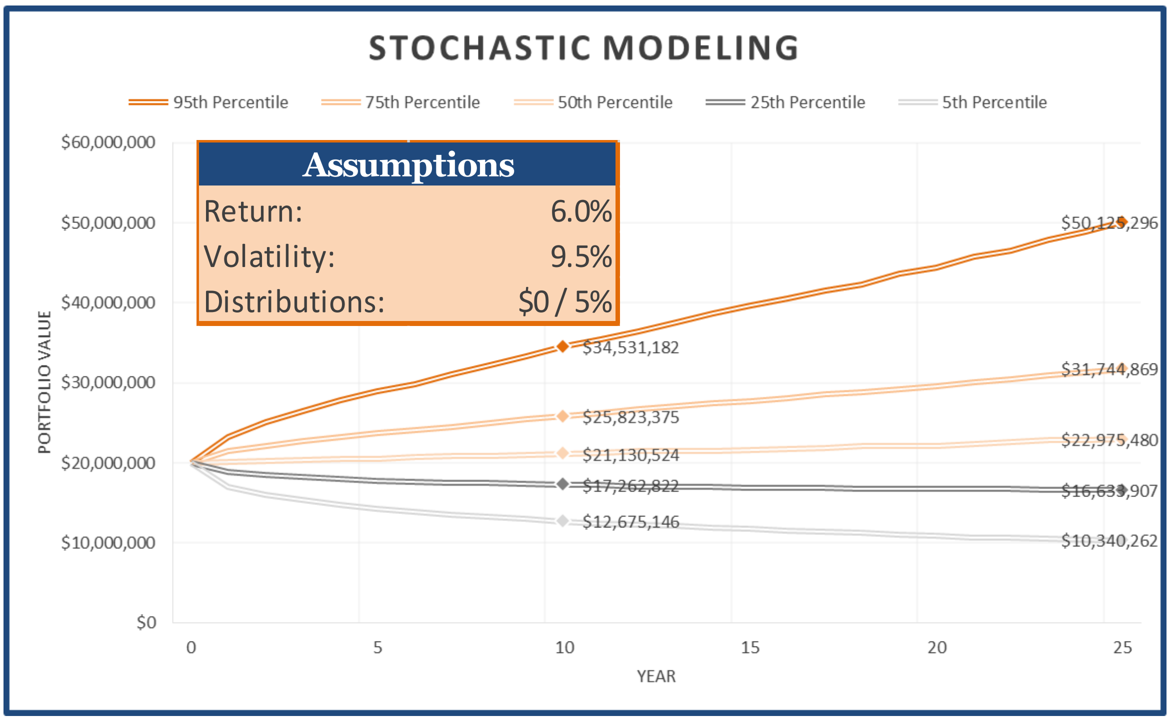
- Overpaying for market "beta" is not advisable, especially in efficient asset classes
  - US vs. international
  - Large caps vs. small caps
  - Traditional investments vs. alternatives
- Active management is more favorable in certain market conditions and asset classes
  - Market correction vs. recovery
- There are skilled active managers that use fundamental analysis to earn risk-adjusted returns above the benchmark, and potentially offer diversification benefits
  - Smaller size, specialist managers
  - Easily understood fundamental and quantitative approach
  - Well-defined risk and return expectations, **limiting surprises**
- On average, equity index funds tend to perform better over the long term than actively managed funds. The opposite is true for fixed income, although indices are generally less credit risk.
- **Start with passive management as the base case and only invest in active management once high conviction in the active management thesis is established.**

6. What is your process for assessing risk in any portfolio?

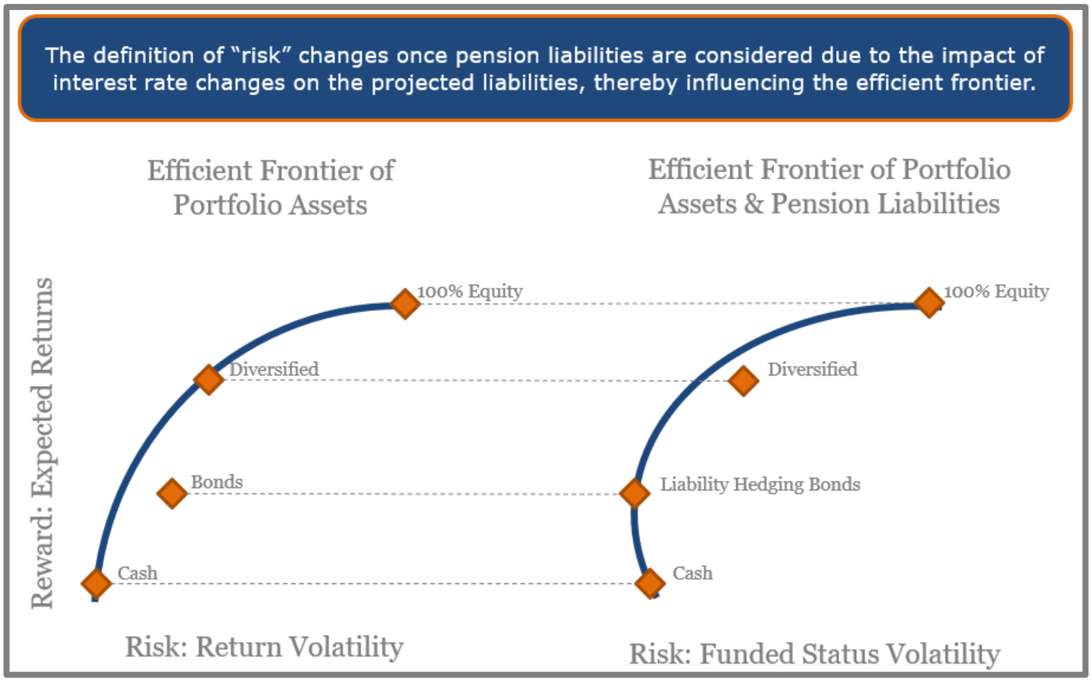
We identify two types of asset allocation driven risks relevant to pension portfolios.

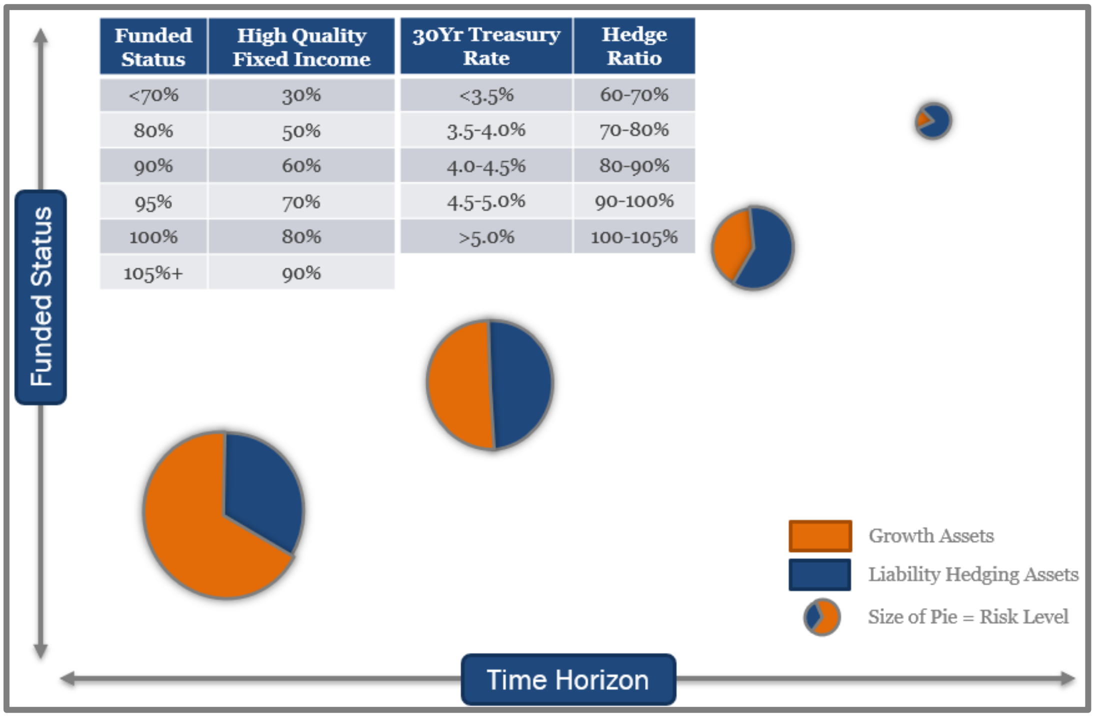
1. **Traditional risks related to portfolio drawdowns and meeting return objectives.** Below is an example of our modeling at the asset allocation level. We first model risk and return expectations, then leverage that output in performing stochastic modeling (Monte Carlo simulations inclusive of distributions). In addition to ensuring the expected returns are met, we focus on the value at risk (lowest likely return) and evaluate the impact of that scenario on the portfolio meeting its objectives.

Return	
10 Yr. Horizon Expected Return	6.0%
Risk (Using 10-yr Horizon Returns)	
Standard Deviation (1 Yr.)	9.5%
Standard Deviation (10 Yr.)	3.0%
95% Confidence Return Range (1 Yr.)	-13% - 25%
95% Confidence Return Range (10 Yr.)	0% - 12%
Probability of Loss Year	24.8%
Probability of 10% or Worse Loss	4.2%
Lowest Likely Return (1 Yr.)	-15.6%
Lowest Likely Return (10 Yr.)	-0.7%
Sharpe Ratio	0.38
Probability of Achieving 6.0% Goal Return	
10 Years	50.5%



2. Risks related to funded status volatility and pension liabilities' sensitivity to interest rates. The benefit of an incremental gain in funded status once nearly fully funded is much less impactful than the consequence of an incremental loss. Additionally, changes in the discount rate of pension liabilities can be detrimental to funded status if not properly hedged. As a result, we employ a systematic de-risking and liability hedging glide path. Examples of this methodology are provided below. While the specific thresholds may vary from client to client, we feel that applying the concept is essential.





Funded Status	High Quality Fixed Income
<70%	30%
80%	50%
90%	60%
95%	70%
100%	80%
105%+	90%

30Yr Treasury Rate	Hedge Ratio
<3.5%	60-70%
3.5-4.0%	70-80%
4.0-4.5%	80-90%
4.5-5.0%	90-100%
>5.0%	100-105%

7. **Have you made tactical asset allocation changes in the past 3 years? If so, describe.**
   - Overweight US equities at the expense of international developed equities due to concerns regarding growth prospects in Europe and Japan
   - Overweight large cap equities relative to SMID cap equities
   - At the margin, tilted away from value in favor of growth
   - Within growth, employing a quality bias for our equity asset classes to achieve late-cycle downside protection while not sacrificing tech growth
   - Terminated the liquid absolute return asset class due to the lack of high conviction managers
   - Terminated MLPs due to increased difficulty in fundamentally evaluating the asset class
   - Shifted equity risk to credit risk (private debt) in 2019, followed by an additional shift post-COVID as equity valuations increased

Research Capabilities & Manager Searches Within Your Database

1. **Provide a general description of your research department. If no separate department exists, describe how this function is performed.**

   Sunpointe believes that integrating client advisory and manager research enhances the quality of service by maximizing the advisors' knowledge of the managers. We view this as a competitive advantage to Sunpointe that is not feasible within larger firms. While we prefer a generalist approach without assigned asset classes, below are where our internal core competencies lean.

   - Equities: Corey Wangler & Paul Schulz
   - Fixed Income: Jack Dwyer & Corey Wangler
   - Private Equity and Real Assets: Michael Pompian
   - Hedge Funds and Private Credit: Mehmet Budak

   Additionally, Conway has nine researchers whose research we leverage prior to performing our own due diligence. Their team is mostly structured as generalists from an investment coverage perspective, with their most senior members focusing on alternatives.

2. **What asset classes do you actively follow? How many have been added or subtracted in recent years? Please provide performance by asset class.**

   On the next page is a table of the asset classes we follow, regardless of whether or not we've had an allocation in recent years. For example, we recently terminated MLPs from our portfolios but continue to monitor them. We have added Yielding Strategies, Preferred Stock, and China Equity in recent years.

   Also included on the next page is manager performance by asset class for our preferred liquid managers that have at least 5-year track records and are of the most relevance to the Board. While we feel asset allocation decisions and illiquid (or semi-liquid) investments are the primary drivers of alpha within portfolios, our traditional managers have added value since inception as well. Note that we have been underweight value managers since inception (all underperformers except Baron) and overweight quality growth managers, in addition to our passive exposure that varies by asset class.

   Not shown below are:
   - Our preferred Yielding Strategies managers due to limited track records and intellectual capital purposes. These funds that offer equity-like returns were approximately flat during the recent pullback, exhibiting the downside protection that we find exceptionally appealing.

- Private Asset returns that vary significantly from client to client due to the j-curve effect.

We will happily go into more depth on our Private Asset and Yielding Strategies managers if selected as a participant in the RFP process. We view these managers as a competitive advantage and therefore need to be somewhat restrictive in the information we provide in preliminary stages.

Covered Asset Class Risk & Return Assumptions *(for modeling)*

Asset Class	Representative Index	2019 Arithmetic Expected Return	2020 Arithmetic Expected Return	2019-2020 Difference	2020 Compound Expected Return	2020 Standard Deviation	2020 Yield	10 Year Benchmark Return (2010-2019)
Cash/Low Duration	FTSE 3-Month Treasury Bills	2.5%	2.5%	-0.1%	2.4%	1.3%	1.6%	0.6%
Municipal Bonds	Barclays Intermediate Municipal 5-10 Year	3.4%	2.6%	-0.8%	2.6%	3.8%	1.8%	4.0%
Municipal High Yield	Barclays High Yield Municipal	4.7%	4.3%	-0.5%	4.0%	7.3%	4.2%	7.2%
Investment Grade Credit	Barclays U.S. Corporate Investment Grade	4.2%	3.5%	-0.6%	3.4%	5.5%	2.8%	5.5%
U.S. Core Fixed Income	Barclays U.S. Aggregate	3.7%	2.8%	-0.9%	2.7%	3.4%	2.3%	3.8%
Non-U.S. Developed Fixed Income	FTSE WGBI NonUSD	2.5%	2.0%	-0.6%	1.6%	8.9%	0.7%	1.4%
Bank Loans	Credit Suisse Leveraged Loan	5.6%	5.4%	-0.2%	5.2%	5.8%	6.1%	8.2%
High Yield Bonds	Barclays U.S. Corporate High Yield	5.7%	5.2%	-0.4%	4.8%	9.2%	5.4%	7.6%
Emerging Market Debt	50% JPM EMBI Global / 50% JPM GBI-EM Gbl Div	6.4%	5.1%	-1.3%	4.7%	9.3%	5.1%	4.7%
Preferred Securities	S&P Preferred Stock	5.3%	4.4%	-0.9%	3.7%	12.7%	4.8%	7.3%
Credit Strategies	Blended Private Debt Index	7.4%	7.0%	-0.4%	6.8%	6.9%	7.3%	8.5%
Diversifying Strategies	HFRI Fund of Funds Conservative	4.7%	4.7%	0.0%	4.2%	10.0%	0.0%	2.8%
Tactical Asset Allocation	60% MSCI ACWI / 40% Barclays U.S. Aggregate	5.8%	5.3%	-0.5%	5.0%	7.5%	2.3%	7.1%
Trading Strategies (Equity Long/Short)	HFRI Equity Hedge	6.5%	6.3%	-0.2%	4.8%	10.0%	0.0%	4.7%
U.S. Large Cap Equity	S&P 500	6.7%	6.5%	-0.2%	5.6%	14.5%	1.9%	13.6%
U.S. Mid Cap Equity	Wilshire U.S. Mid Cap	7.9%	7.6%	-0.3%	6.2%	17.4%	1.7%	13.2%
U.S. Small Cap Equity	Wilshire U.S. Small Cap	7.6%	7.2%	-0.4%	5.4%	19.4%	1.5%	11.8%
Global Equity	MSCI ACWI	7.2%	7.0%	-0.2%	5.9%	15.3%	2.4%	9.4%
Non-U.S. Developed Equity	MSCI EAFE	7.2%	6.8%	-0.4%	5.6%	16.3%	3.2%	6.0%
Non-U.S. Developed Small Cap Equity	MSCI EAFE Small Cap	8.2%	7.8%	-0.5%	6.4%	17.5%	2.6%	9.1%
Emerging Markets Equity	MSCI Emerging Markets	10.2%	10.1%	-0.1%	8.0%	21.4%	2.6%	4.0%
China Equity	MSCI China	N/A	10.7%	N/A	8.0%	23.4%	1.5%	5.4%
Private Equity	Cambridge U.S. Private Equity	12.0%	12.0%	0.0%	9.6%	22.0%	0.0%	16.4%
MLPs	Alerian MLP	9.4%	8.6%	-0.8%	7.2%	17.3%	6.4%	4.2%
TIPS	Barclays U.S. Treasury TIPS	3.1%	2.6%	-0.5%	2.5%	5.5%	0.2%	3.4%
Public Core Real Estate	FTSE NAREIT All Equity REITs	7.0%	7.1%	0.1%	5.8%	16.7%	3.7%	12.6%
Private Real Estate	NCREIF Property	9.0%	9.0%	0.0%	7.6%	17.0%	0.0%	9.8%
Opportunistic Yielding Strategies	Blended Private Debt Index	10.0%	10.0%	0.0%	9.6%	9.0%	7.3%	8.5%
Commodities	Bloomberg Commodity	4.5%	4.3%	-0.2%	3.1%	16.2%	0.0%	-4.7%
Infrastructure	S&P Global Infrastructurre	6.9%	6.7%	-0.2%	6.2%	10.5%	4.0%	7.7%

Relevant Liquid Asset Class Returns

		5 Years 3/31/2020						10 Years 3/31/2020	
Group/Investment	Adj. Expense Ratio	Return (Annualized)	Peer Group Percentile	Std Dev (Annualized)	Sharpe Ratio (Annualized)	Up Capture Ratio	Down Capture Ratio	Return (Annualized)	Peer Group Percentile
U.S. Fixed Income									
Baird Core Plus Bond Inst	0.30	3.39	9	3.38	0.67	105.45	111.41	4.60	5
PIMCO Income Instl	0.50	3.59	6	4.35	0.57	71.58	24.24	7.34	1
Benchmark 1: BBgBarc US Agg Bond TR USD		3.36	13	3.09	0.72	100.00	100.00	3.88	34
Equity L/S									
AB Select US Long/Short Advisor	1.60	3.68	16	7.84	0.35	105.47	81.31		
Benchmark 1: HFRI Equity Hedge (Total Return)		1.30	41	7.89	0.06	100.00	100.00	2.96	67
Infrastructure									
Lazard Global Listed Infrastructure Ir	0.96	5.66	1	11.36	0.44	88.33	73.17	10.15	1
Benchmark 1: FTSE Dvlp Core Infra 50/50 Hdg		3.96	28	11.91	0.29	100.00	100.00	8.37	13
Global Equity									
Dodge & Cox Global Stock	0.62	-0.75	87	17.40	-0.02	106.55	129.19	4.87	70
Frontier MFG Global Plus Service	0.98	7.55	9	11.34	0.60	96.48	68.32		
Benchmark 1: MSCI ACWI NR USD		2.85	40	13.69	0.19	100.00	100.00	5.88	52
U.S All Cap/Large Cap Equity									
Jensen Quality Growth I	0.61	8.79	1	12.29	0.66	96.23	81.65	10.83	4
Benchmark 1: S&P 500 TR USD		6.73	9	13.65	0.46	100.00	100.00	10.53	7
U.S. Small Cap Core									
Fuller & Thaler Behavioral Sm-Cp Eq	0.82	3.39	1	17.47	0.21	94.46	80.18		
Benchmark 1: Russell 2000 TR USD		-0.25	27	19.15	0.03	100.00	100.00	6.90	25
International Large Cap Equity									
Dodge & Cox International Stock	0.63	-4.39	97	17.92	-0.22	109.99	128.79	1.61	82
MFS International Intrinsic Value I	0.73	5.61	1	11.05	0.45	86.87	56.58	8.37	1
Oakmark International Advisor	0.90	-5.66	97	21.22	-0.22	124.01	148.36	1.74	79
Benchmark 1: MSCI EAFE NR USD		-0.62	33	14.11	-0.05	100.00	100.00	2.72	36
Emerging Markets Equity									
Baron Emerging Markets Institutional	1.09	-1.02	50	16.30	-0.05	83.77	87.27		
Benchmark 1: MSCI EM NR USD		-0.37	36	17.57	0.00	100.00	100.00	0.68	46

3. How many analysts employed by your organization are responsible for investment manager research?

Please refer to question 1 above

4. Provide a detailed description of your firm's manager evaluation process. How many investment managers do you currently track? What criteria are important to you?

Our manager due diligence process, outlined below, combines both quantitative and qualitative analysis that allows us to identify, evaluate and select managers that we believe will perform well going forward and add value to our client portfolios. For this work we utilize a combination of our own proprietary database and industry contacts as well as multiple external databases and resources including, in some cases, forensic accountants and operational due diligence experts. The due diligence process may vary between investment strategies to better address certain risks specific to the asset class or strategy.

To identify potential investment managers, we rely on several sources, including clients, existing managers, investment conferences, industry contacts, industry databases and direct solicitations. Many managers are quickly eliminated from the process based on shortcomings in experience, organizational structure or track record.

Once identified, we will schedule an initial meeting to evaluate a potential fit with our criteria. The goal of the initial meeting is to better understand the strategy and the people involved with the organization. Ultimately, we place particular emphasis on meeting with the portfolio management teams and analysts to look beyond the performance numbers. We want to really understand and make judgments on the managers' ability to add alpha and differentiate and what sets them apart from their peers.

Following an initial meeting, we engage in a full due diligence process. Conway evaluates all managers and strategies using a strict set of criteria consistent with the firm's investment philosophy. This detailed, multi-step due diligence process is designed to evaluate and measure a single manager or investment strategy on several quantitative and qualitative levels.

For the quantitative portion of this due diligence, we utilize a combination our own proprietary database as well as multiple third-party information sources to perform a comprehensive statistical analysis. The quantitative analysis criteria are as follows:

- Return vs. Benchmark/Peers
- Risk (Standard Deviation/Downside Deviation) vs. Benchmark/Peers
- Sharpe Ratio/Sortino Ratio
- Batting Average
- Up/Down Capture
- Alpha/Beta
- Correlation to Benchmark and Other Managers
- Multi-Factor Regression Analysis to Determine Source of Returns

A detailed review of the above data provides excellent perspective on an investment manager's performance in both absolute and relative terms. We compare these results against a manager's stated investment objective to measure consistency and performance during different market cycles. For benchmarking purposes, we utilize a combination of traditional equity, fixed income and cash benchmarks (i.e. S&P 500 and Barclays US Aggregate indexes). We will also use an array of customized benchmarks for more difficult to track asset classes such as alternative investments. For individual managers, we assign a specific benchmark that we feel best represents the manager's portfolio and investment style and use this for baseline performance and risk evaluation.

For the qualitative due diligence work, we perform multiple face to face meetings with the portfolio management team, operations team and Firm Executive team including on-site visit to primary office. Analysis is performed on the following factors:

- Organization/Ownership Structure – Succession Plan
- Firm Culture
- Team – Depth, Tenure, Stability
- Investment Philosophy
- Investment Process/Research
- Portfolio Construction
- Risk Management
- Operations

We review key organization and operational details including ownership structure, offering documents, audited financials, ADV forms filed with the SEC. In addition, we spend significant time on character reference checks of key personnel through independent industry contacts or, in some cases, a manager's clients. We also conduct detailed on-site due diligence in the manager's office to better evaluate both the portfolio management team and the operations team. For portfolio analysis purposes, we aim to identify strengths and weaknesses in a manager's process or team. This includes a review of systems, investment process and risk management practices. For operations, we typically meet with the CFO or COO to further evaluate back office systems and practices related to valuation techniques, custody of assets, disaster recovery and data back-up.

The conclusion of this process results in a detailed report that is reviewed by the Investment Committee. Once approved, the manager evaluation process remains ongoing and fluid. Managers are constantly monitored to ensure that their performance results and investment exposures remain consistent with the initial mandate and they continue to employ best practices across the organization.

The end result is:

- 1,000+ strategies in the research library
- ~350 closely monitored
- 150+ approved managers

5. **Describe the process you will use to conduct manager searches for our fund.**

In conjunction with the process outlined above, we identify 3-5 managers relevant to the search and perform a manager comparison of those managers. We then discuss the strengths and weaknesses of each manager with the Board to partner in selecting the most suitable manager.

6. **Describe the circumstances under which you would terminate an investment manager. How many have you terminated in the past 3 years? Please describe reasons for each.**

There are (at least) four reasons we would terminate a manager:

- **Performance:** To ensure recency bias does not influence our decisions, we generally focus on rolling three-year return and risk stats. Our expectation is that the manager should outperform on a risk-adjusted basis over the majority of rolling three-year periods. Failure to do so would trigger an extensive review.
- **"Black Box" Portfolio Management:** It is essential that we are able to communicate accurate risk and return expectations to clients to ensure there are no surprises. In the event we are unable to understand a strategy, or a manager deviates from expectations, we would no longer feel comfortable utilizing the manager.
- **Lack of Transparency:** In the event we feel as though we are not privy to information that we should be, it would result in reduced conviction in the strategy.
- **Key Personnel Departures:** Certain key people leaving is a major red flag and we will terminate a manager if we believe these people are key to the strategy's success.

We have terminated two managers in the last three years. One was a quantitative, academic driven strategy that began to present three issues referenced above, particularly the "black box" issue. The other began to present transparency concerns, despite strong performance.

Monitoring and Measuring Performance

1. Do you utilize model portfolios? What has the composite performance of your client portfolios been over the past one, three and five year periods? How have your client's portfolios performed in relation to their blended benchmarks and peer groups? Do you have access to peer group performance data? Is your performance measurement GIPS compliant? What percentage of your clients are discretionary vs non-discretionary?

We have historically utilized model portfolios as a means of guiding client recommendations but have not measured model portfolio performance due to the variability in which clients are able to implement the recommended model. Below is the performance of two sample clients that have historically been moderately in-line with our model portfolio.

As of 12/31/19	1YR	3YR	5YR	7YR	10YR
Sample Tax Exempt Portfolio 1	***22.1%***	***13.1%***	***9.3%***	***8.9%***	***8.2%***
70% ACWI / 30% Barclays Agg	*21.7%*	*10.4%*	*7.4%*	*8.1%*	*7.9%*
Sample Taxable Portfolio 2	***21.8%***	***9.5%***	***6.4%***		
Blended Benchmark	*21.0%*	*9.6%*	*6.1%*		

While most of our clients do not use peer portfolio comparisons as they are focused on their own differing goals (that can vary significantly from that of a peer group), we do have access to several universes. For peer universe return and asset allocation comparison, we use InvestorForce Plan Universes from InvestmentMetrics. The net universe represents over 555 DB plans with total assets exceeding $896 billion. For a broader comparison, we also use the total Trust Fund Universe that has over 2,900 members with assets exceeding $1.96 trillion. Moreover, we have access to NACUBO data that, while focused on endowments, can provide a relevant comparison for certain portfolios. While these universes can be useful, we express great caution in chasing peer universes at the expense of reduced risk and portfolio objective awareness. We stress this even more with pensions given the pension liability intricacies that vary from portfolio to portfolio—prioritize portfolio risk and return objectives first and peer comparisons second to prevent imprudent and emotional decisions.

While Addepar does not claim to be GIPS compliant due to its flexibility in employing different performance measurement methodologies, it does offer advisors the capability of complying with most GIPS standards. As of November 2019, Addepar had grown assets from $1.3 trillion in December 2018 to $1.7 trillion, which can be indicative of the degree to which its methodologies are accepted throughout the industry.

Approximately 2% of assets are discretionary while 98% are non-discretionary.

2. **How is a portfolio's performance measured? How is it audited? Describe your firm's philosophy and approach regarding the use of benchmarks. How do you determine the appropriate benchmark? How is a manager's performance measured against the benchmark and its peers? Do you suggest using a blended benchmark for portfolio measurement purposes?**

Performance is measured in Addepar and undergoes layers of audit and review.

- Asset values and transaction activity feeds directly into Addepar from the custodian on a daily basis.
- The status of the feed is reviewed weekly for missing data or other errors with transmission.
- Offline asset transactions and valuation updates are processed by a performance analyst (Paul Schulz).
- Portfolio cash flows are reviewed each month in order to prevent inaccurate transaction coding influencing returns.
- Return information for individual securities is reviewed on a monthly basis and compared to manager-provided returns.
- Once generated, each client report is peer reviewed by at least one other member of the team as an additional layer of affirmation.

At the portfolio level, our preference is to compare portfolio performance to both a naïve (e.g. 60% MSCI ACWI / 40% Barclays Agg) benchmark and a more granular blended benchmark. We feel that comparison to a naïve benchmark allows us to measure our asset allocation decisions, while the more granular blended benchmark allows us to measure our manager selection impact.

At the asset level, we have Sunpointe-preferred asset class benchmarks that are our starting point and utilized in our peer analysis. However, with each manager we consider their prospectus benchmark and style tilts. In the event we feel the propensity for tracking error to a benchmark is high, we may elect to employ a benchmark that we feel more closely represents our expectations for the manager. The ultimate intent is to utilize a benchmark that allows use to evaluate the manager's ability in fulfilling its role in the portfolio.

In each quarterly investment review report, we include a manager peer comparison that evaluates managers relative to both their benchmarks and Morningstar peer universes on a risk-adjusted basis.

3. **Based upon our current Investment Policy, what asset allocation would you recommend for the Creve Coeur Pension? What managers would you recommend? What would their costs be? How have these managers performed on an absolute and risk adjusted basis? How much risk is there in your recommended portfolio vs our current portfolio?**

As a practical matter, we do not make any recommendations without first having a complete understanding of the Board's objectives and constraints. With that said, a few high-level suggestions are:

- **Remove value tilt.** As previously stated, we believe the economy of Ben Graham and an early Warren Buffet is not the same economy today; the market and the companies that operate in it have fundamentally changed. We have tilted away from value in favor of growth. We believe that new economy "growth" companies with low debt, high intellectual capital, and strong competitive advantages are driving the future forward. COVID-19 is enhancing the transition to the new economy.
- **Remove Commodity allocation.** We feel the diversification benefits of Commodities come at a high cost in lagging risk-adjusted returns due to negative roll yield, in addition to unpredictable supply/demand forces that are difficult to strategize around.
- **Add a modest quality growth tilt across equity classes.** Example manager: Jensen Quality Growth, manager profile inclusive of expense information included in Appendix IV.
- **Add a "Yielding Strategies" component.** To do this, private debt investments generating equity-like returns while at the same time exhibiting default rates and downside protection similar to investment grade bonds (including during the COVID credit crisis). These investments can be accessed via interval funds with quarterly liquidity. While there has been negative press surrounding some of these vehicles being "too good to be true," much of which we agree with, we feel prudent manager selection continues to allow significant value-add to the portfolio. Our managers' performance during the COVID crisis validated our manager selection in the space, and we feel opportunities will only get better as the reckless managers referenced in the media do not survive the crisis. We will provide detailed research reports on these managers if selected as a participant in the RFP process in an effort to protect our intellectual capital integral to our competitive advantage.

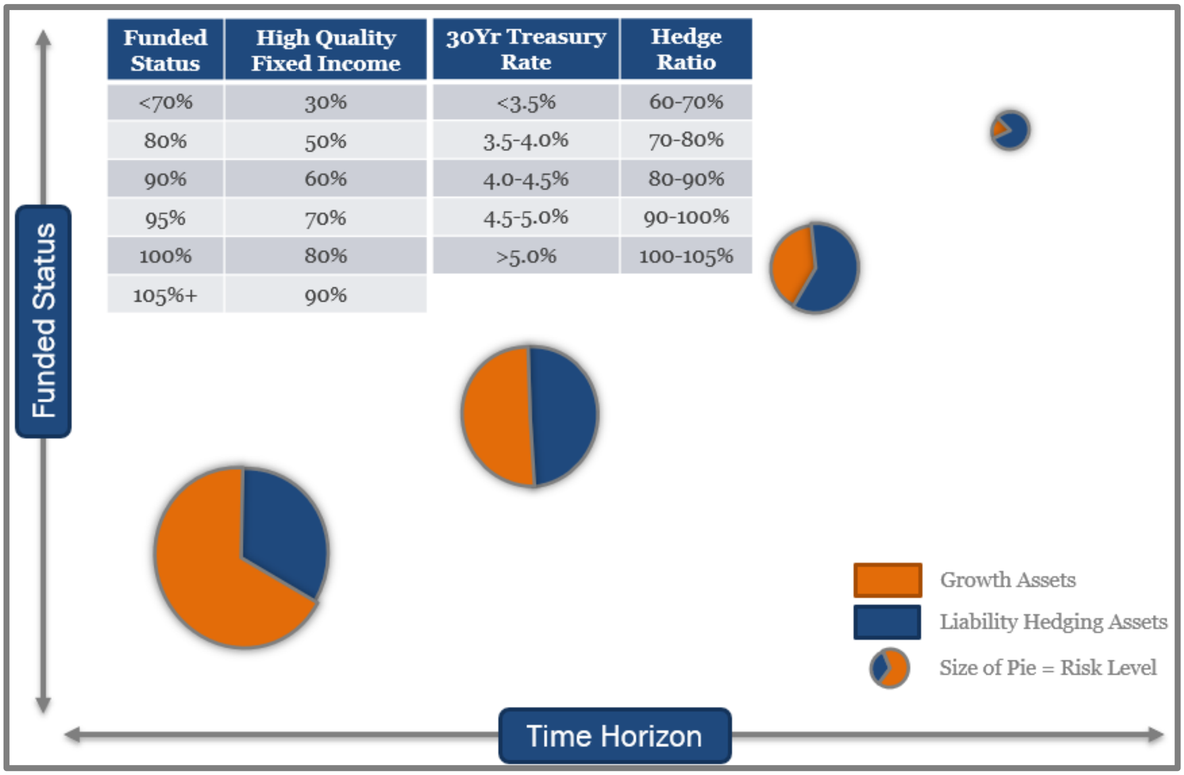
Recommended portfolio risk would be dependent upon the duration of the portfolio and funded status, but relative to the current portfolio we feel that we could enhance risk-adjusted returns. Adding a quality tilt reduces risk via balance sheet and operating strength without sacrificing meaningful (if any) return potential over a full market cycle. Moreover, implementing Yielding Strategies with our preferred managers can meaningfully decrease risk. We struggle to classify these Yielding Strategies assets as either Risk Mitigation or Risky Assets because they have the return potential of Risky Assets but risk characteristics of Risk Mitigation assets. If these assets are positioned in the Risky Assets bucket (in place of equities), total portfolio risk would decrease meaningfully.

Included below is a recommended allocation that can improve both the portfolio's return and risk metrics relative to the IPS's strategic policy. Final portfolio recommendations and risk level would be heavily influenced by funded status and liability data provided by the actuary. The allocation below is our way of improving the current allocation.

	Sample Recommended Portfolio	CCEPP Current Strategic Policy
Risk Mitigation		
Defensive		
US Core Fixed Income	15.0%	30.0%
Total Defensive	15.0%	30.0%
Flexible		
Diversifying Strategies	5.0%	
Trading Strategies (L/S)	5.0%	
Credit Strategies	10.0%	
Total Flexible	20.0%	0.0%
Total Risk Mitigation	35.0%	30.0%
Risky Asset		
Growth		
US All Cap/Large Cap Equity	28.0%	27%
US Small/Mid Cap Equity	4.0%	14%
Intl All Cap/Large Cap Equity	10.0%	15%
Intl Small Cap Equity	2.0%	6%
Emerging Market Equity	6.0%	2%
Total Growth	50.0%	63.7%
Hybrid/Income		
Infrastructure	5.0%	
Commodities		3%
Public Core Real Estate		4%
Opportunistic Yielding Strategies	10.0%	
Total Hybrid/Income	15.0%	6.3%
Total Risky Asset	65.0%	70.0%
Total	100%	100%
Return		
10 Yr. Horizon Expected Return	6.1%	5.1%
Risk (Using 10-yr Horizon Returns)		
Standard Deviation (1 Yr.)	9.9%	10.5%
Standard Deviation (10 Yr.)	3.1%	3.3%
95% Confidence Return Range (1 Yr.)	-13.7% - 25.9%	-16% - 26.2%
95% Confidence Return Range (10 Yr.)	-0.1% - 12.4%	-1.5% - 11.8%
Probability of Loss Year	25.3%	29.6%
Probability of 10% or Worse Loss	4.7%	6.9%
Lowest Likely Return (1 Yr.)	-16.4%	-18.9%
Lowest Likely Return (10 Yr.)	-0.9%	-2.3%
Sharpe Ratio	0.37	0.25

4. Would you recommend any changes to our current Investment Policy Statement?

We have utilized the chart below and referenced the differentiated risks relative to non-pension portfolios throughout the RFP response. While there are other minor adjustments we'd recommend to the IPS if selected (such as addressing liquidity constraints), we will once again reiterate that we feel it is *essential* to employ a systematic de-risking glide path and liability hedging approach to account for risks specific to pension plans. If the Board chooses not to pursue a relationship with Sunpointe, we heavily encourage that the Board selects a firm employing a comparable approach as we view it as the new industry standard from a fiduciary perspective.



Funded Status	High Quality Fixed Income	30Yr Treasury Rate	Hedge Ratio
<70%	30%	<3.5%	60-70%
80%	50%	3.5-4.0%	70-80%
90%	60%	4.0-4.5%	80-90%
95%	70%	4.5-5.0%	90-100%
100%	80%	>5.0%	100-105%
105%+	90%		

5. Describe the performance measurement software your firm uses. Is this software proprietary, or does your firm utilize the software of an outside vendor? If your firm uses non-proprietary software, do you have the ability to influence changes to the software to meet the demands of the marketplace?

We use Addepar for performance measurement. Addepar has been with us since day one, and we are very pleased with the partnership we have with them. They continuously improve their software based on client needs. We have a specific "instance" of their software specific to Sunpointe and it is customized to how we run and manage our client relationships. One of the most useful aspects of using Addepar is their client portal function. Our clients have the ability to have the same "views" that we have and can view and sort data the way that is particularly meaningful to them. This data is available to clients 24/7 and is always up to date. We can provide samples of reports upon request.

6. **How soon after the quarter-end are your reports available? Please provide a comprehensive client quarterly report.**

   For "liquid" portfolios (those with no illiquid investments) our monthly performance reports can be available within a week or less of the end of month or quarter end. The "liquid" client's quarterly investment report can be available within 30 days of the quarter end. For clients that have illiquid investments (hedge funds and private equity), 30 days is a typical maximum time frame for a monthly performance report. For clients with illiquids, the quarterly report is typically generated within 45 days of the end of the quarter.

   Unaudited performance information is available daily, on-demand through the Addepar portal.

   A sample quarterly report, which includes the monthly report, is included in Appendix V.

Miscellaneous

1. **Describe how a new client would transition to your services including cost basis and performance data?**

   Although each client transition has its intricacies, our experience in transitioning our clients since inception has presented minimal issues. Addepar has great flexibility in:
   - **Linking and Aggregating Accounts:** As long as the custodian has the data, Addepar can get it. In order to grant Addepar the appropriate permissions to the link the account, we would need a signed letter of authorization.
   - **Importing Historical Returns:** Typically, we work with the prior consultant in obtaining an Excel export of monthly returns that we are able to import into Addepar.

2. **Describe disaster recovery plans and other contingency plans that are in place for potential interruptions.**

   All of our technology resides in the cloud, making it simple and secure for our associates to access the relevant software and data to do their jobs. We work from laptops using Microsoft Office 365, Dropbox for Business, cloud based Addepar, and various custodians, including Schwab. Our VOIP phone system operates seamlessly wherever we are located. We have secure FINRA level encryption on our documents in Dropbox for Business, and it offers secure encrypted file sharing features. All of our systems have operated flawlessly since we transferred to a work at home plan at the outset of the St. Louis Coronavirus Stay at Home Order.

   Apart from having a written Business Continuity Plan, we also have a Cybersecurity Response Plan, enhanced email monitoring service through Microsoft, and a Cybersecurity Insurance Plan that includes training modules and periodic assessments of our online presence.

3. **Describe three aspects of your firm that distinguish it from competitors.**

   1. **Behavioral Finance Drives Performance.** Michael is a thought leader in the space, having authored five books and over 100 pieces of intellectual capital. In our experience one of the most important factors in achieving investment success is managing behavior of those involved in the investment decisions making. Included in Appendix VI is one of Michael's more recent behavioral finance pieces, *Behavioral Finance and the Coronavirus Bear Market,* to demonstrate how we incorporate behavioral finance into our advisory process.

2. **Inclusion of a Specific Allocation to *Yielding Strategies*.** The investment industry has largely overlooked the concept of high quality, private yielding strategies as a standalone investment allocation. This allocation offers the opportunity for a steady, lower-volatility, high single digit to low double digit return which provides ballast to a long term portfolio. We have a specific set of managers for our clientele in this space.
3. **Senior Team on Every Client Relationship.** Our core team has been together since 2012, with the two primary principals (Michael Pompian and Jack Dwyer) having worked together since 2006. Every client gets access to our full team of highly experienced professionals.

4. **Provide a representative client list plus five retirement plan references, including at least three government plan references, contact information and plan summaries.**

We will happily provide references upon selection as a participant in the RFP process.

5. **What services does your firm provide for the education of the Pension Board members?**

Our approach to education begins with a capital markets overview as our first meeting with the Board once we are hired. This presentation takes a step back to make sure everyone involved understands the important inputs of an investment policy statement, including time horizon, spending rate, and risk tolerance. We also define major asset classes and review core guiding principles like diversification. While return uncertainty is greatest in the short-term, wealth uncertainty is greatest in the long run. These building blocks are used with the results of Board member surveys to select an asset allocation.

In addition, we provide similar education to new Board members when they join. We also provide specialized education workshops designed to:

a. Identify and combat behavioral biases (both individual and Board wide)
b. Consider the possible integration of ESG (environmental, social, and governance) concerns of stakeholders
c. Assist with individual cash flow and retirement planning and provide broad education to participants

6. **How many clients have you lost in the last 3 years and please indicate the reasons why they left.**

We have not lost any clients since 2016 inception.

7. **What ESG initiatives or policies has your organizations implemented or considering?**

We have partnered with an ESG specialist firm called "Ethic Invest" based in New York City to develop an ESG investment strategy based on Corporate Governance. We can provide materials on this investment strategy upon request. Through Ethic, we are also able to accommodate almost any ESG/SRI equity request. Moreover, we are able to access granular mutual fund ESG/SRI data via an enhanced Morningstar license.

8. **What client data and security initiatives have you implemented to safeguard our data and access to accounts?**

Sunpointe has a Cybersecurity Plan and only allows data access to our team working on the account.

Our email is hosted through Microsoft, and we have a special Azure Information Protection Plan with them that monitors all incoming and outgoing email messages for potential spam or phishing. Employees receive yearly training on these topics and the company has a yearly audit performed to ensure compliance.

Dropbox for Business is where all files are stored. We use multifactor authentication to access all cloud software, including Dropbox. We also have lost device protection with remote wipe when necessary—no client files are stored on users' computers. Folders have sharing permissions required. All files are backed up and file deletion is not permitted on our Dropbox Business account. To protect data in transit between Dropbox apps and servers, Dropbox uses Secure Sockets Layer (SSL) and Transport Layer Security (TLS) for data transfer, creating a secure tunnel protected by 128-bit or higher Advanced Encryption Standard (AES). Files at rest are encrypted using 256-bit AES.

Finally, we also have a comprehensive Cybersecurity Insurance policy issued by Lloyds of London, which is supported by training modules which we have implemented with our team.

Fees and Fee Structure

Please provide a detailed outline of your fee structure for all services contained in your proposal, including consulting. In addition, please, distinguish between fixed fees and asset-based fees. Comment on all fees, including potential fees associated with different investment solutions, management, asset based, hidden fees, trading, etc.

Our fees can be structured as a flat fee or percentage of assets. We don't have any fees other than a consulting fee.

Important Information

The charts and information in this presentation are for illustrative purposes only, and are based upon sources of information that Sunpointe, LLC generally considers reliable, however we cannot guarantee, nor have we verified, the accuracy of such independent market information. The charts and information, and the sources utilized in the compilation thereof, are subjective in nature and open to interpretation.

FOR USE WITH INSTITUTIONAL INVESTORS AND INVESTMENT PROFESSIONALS ONLY.

NOT FOR PUBLIC DISTRIBUTION.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Appendix I:
Code of Ethics

SUNPOINTE, LLC

CODE OF ETHICS

Last updated January 7, 2020

INTRODUCTION

The Firm has adopted this code of ethics (the "Code of Ethics") in compliance with Rule 204A-1 under the Advisers Act in order to specify the standard of conduct expected of its Associated Persons. The Firm will describe its Code of Ethics to clients in writing and, upon request, furnish clients with a copy of the Code of Ethics.

All Associated Persons of the Firm must comply with applicable federal securities laws. In particular, it is unlawful for the Firm and any Associated Person, by use of the mail or any means or instrumentality of interstate commerce, directly or indirectly:

- To employ any device, scheme or artifice to defraud any client or prospective client of the Firm;
- To engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon any client or prospective client of the Firm; or
- To engage in any fraudulent, deceptive, or manipulative practice.

In adopting this Code of Ethics, the Firm recognizes that it, and its affiliated persons owe a fiduciary duty to the Firm's client accounts and must (1) at all times place the interests of Firm clients first; (2) conduct personal securities transactions in a manner consistent with this Code of Ethics and avoid any abuse of a position of trust and responsibility; and (3) adhere to the fundamental standard that Associated Persons should not take inappropriate advantage of their positions. In addition, the Firm and its Associated Persons must comply with all applicable federal securities laws, which shall generally be explained in the Firm's Compliance Manual. Associated Persons must report any violations of the Code of Ethics to the Firm's Chief Compliance Officer.

DEFINITIONS

"**Access Person**" means any supervised person of the Firm:

(i) Who has access to nonpublic information regarding any clients' purchase or sale of securities;

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

(iii) Because the Firm's primary business is providing investment advice, all of the Firm's directors, officers and partners are presumed to be access persons; or

(iv) Such other persons as the Chief Compliance Officer shall designate.

“**Acquisition**” or “**Acquire**” includes any purchase and the receipt of any gift or bequest of any Reportable Security.

“**Affiliate Account**” means, as to any Access Person, an Account:

(i) Of any Family Member of the Access Person;

(ii) For which the Access Person acts as a custodian, trustee or other fiduciary;

(iii) Of any corporation, partnership, joint venture, trust, company or other entity which is neither subject to the reporting requirements of section 13 or 15(d) of the Securities Exchange Act of 1934 nor registered under the Investment Company Act of 1940 (the “Company Act”) and in which the Access Person or a Family Member has a direct or indirect Beneficial Ownership; and

(iv) Of any Access Person of the Firm.

“**Associated Person**” of the Firm means any Access Person, and any employees, including independent contractors who perform advisory functions on behalf of the Firm.

“**Automatic investment plan**” means a program in which regular periodic purchases (or withdrawals) are made automatically in (or from) investment accounts in accordance with a predetermined schedule and allocation. An automatic investment plan includes a dividend reinvestment plan.

“**Beneficial Ownership**” means a direct or indirect “pecuniary interest” (as defined in Rule 16a-1(a)(2) under the 1934 Act that is held or shared by a person directly or indirectly (through any contract, arrangement, understanding, relationship or otherwise) in a Security. This term generally means the opportunity directly or indirectly to profit or share in any profit derived from a transaction in a Security. An Access Person is presumed to have Beneficial Ownership of any Family Member’s account.

“**Client Account**” means any account for which the Firm provides services, including investment advice and investment decisions.

“**Contro**l” has the same meaning as in section 2(a)(9) of the Company Act. Section 2(a)(9) defines “Control” as the power to exercise a controlling influence over the management or policies of a company, unless this power is solely the result of an official position with the company.

“**Disposition**” or “**Dispose**” includes any sale and the making of any personal or charitable gift of Reportable Securities.

“**Family Member**” of an Access Person means:

(i) That person’s spouse or minor child who resides in the same household;

(ii) Any adult related by blood, marriage or adoption to the Access Person (a “relative”) who shares the Access Person’s household;

(iii) Any relative dependent on the Access Person for financial support; and

(iv) Any other relationship (whether or not recognized by law) which the Chief Compliance Officer determines could lead to the possible conflicts of interest or appearances of impropriety this Code of Ethics is intended to prevent.

"**Initial Public Offering**" means an offering of securities registered under the Securities Act of 1933 (the "1933 Act"), the issuer of which, immediately before the registration, was not subject to the reporting requirements of section 13 or 15(d) of the 1934 Act.

"**Limited Offering**" means an offering that is exempt from registration under the 1933 Act pursuant to section 4(2) or section 4(6) of the 1933 Act or rule 504, 505 or 506 under the 1933 Act.

"Material Non-Public Information"

(i) Information is generally deemed "material" if a reasonable investor would consider it important in deciding whether to purchase or sell a company's securities or information that is reasonably certain to affect the market price of the company's securities, regardless of whether the information is directly related to the company's business.

(ii) Information is considered "nonpublic" when it has not been effectively disseminated to the marketplace. Information found in reports filed with the Commission or appearing in publications of general circulation would be considered public information.

"**Purchase or sale of a Security**" includes, among other things, transactions in options to purchase or sell a Security.

"**Reportable Security**" means a Security as defined in the Code of Ethics, but does not include:

(i) Direct obligations of the Government of the United States;

(ii) Money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements;

(iii) Shares issued by money market funds;

(iv) Shares issued by other mutual funds; and

(v) Shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

"**Restricted Security**" means any Security on the Firm's Restricted Security List. In general, this list will include securities of public companies which are clients of the Firm, or whose senior management are clients of the Firm.

"**Security**" means any note, stock, treasury stock, security future, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guaranty of, or warrant or right to subscribe to or purchase any of the foregoing.

PROHIBITED PURCHASES, SALES AND PRACTICES

Timing of Personal Transactions

No Access Person may purchase or sell, directly or indirectly, any Security in which the Access Person or an Affiliate Account has, or by reason of the transaction acquires, any direct or indirect Beneficial Ownership if the Access Person knows or reasonably should know that the Security, at the time of the purchase or sale (i) is being considered for purchase or sale on behalf of any Client Account; or (ii) is being actively purchased or sold on behalf any Client Account.

If the Firm is purchasing/selling or considering for purchase/sale any Security on behalf of a Client Account, no Access Person may effect a transaction in that Security prior to the client purchase/sale having been completed by the Firm, or until a decision has been made not to purchase/sell the Security on behalf of the Client Account.

Improper Use of Information

No Access Person may use his or her knowledge about the securities transactions or holdings of a Client Account in trading for any account that is directly or indirectly beneficially owned by the Access Person or for any Affiliate Account. Any investment ideas developed by an Access Person must be made available to Client Accounts before the Access Person may engage in personal transactions or transactions for an Affiliate Account based on these ideas.

No Associated Person:

- while aware of material nonpublic information about a company, may purchase or sell securities of that company until the information becomes publicly disseminated and the market has had an opportunity to react;
- shall disclose material nonpublic information about a company to any person except for lawful purposes;
- may purchase any Restricted Securities, found on the firm's Restricted Securities List, as for as long as the publicly traded company (or any member of its senior management) is a client of the Firm, unless expressly approved in advance by the Chief Compliance Officer.

Initial Public Offerings

No Access Person may acquire any securities in an Initial Public Offering without first obtaining pre-clearance and approval from the Chief Compliance Officer.

Limited Offerings

No Access Person may acquire any securities in a Limited Offering without first obtaining pre-clearance and approval from the Chief Compliance Officer.

REPORTING

An Access Person must submit to the Chief Compliance Officer, on forms designated by the Chief Compliance Officer, the following reports as to all Reportable Securities holdings and brokerage accounts in which the Access Person has, or by reason of a transaction, acquires, Beneficial Ownership:

Initial Holdings Reports

Not later than 10 days after an Access Person becomes an Access Person, a Certification and Holdings Report must be submitted with the following information which must be current as of a date no more than 45 days prior to the date the person becomes an Access Person:

- The title, type of security, and as applicable the exchange ticker or CUSIP number, number of shares and principal amount of each Reportable Security in which the Access Person has any direct or indirect Beneficial Ownership;
- The name of any broker, dealer or bank in which the Access Person maintains an account in which any securities (including but not limited to Reportable Securities) are held for the Access Person's direct or indirect Beneficial Ownership; and
- The date the report is being submitted by the Access Person.

Quarterly Reportable Securities Transaction Reports

Not later than 30 days after the end of each calendar quarter, a Transactions Report must be submitted for any transaction (i.e., purchase, sale, gift or any other type of Acquisition or Disposition) during the calendar quarter of a Reportable Security in which the Access Person had any direct or indirect Beneficial Ownership including:

- The date of the transaction, the title, the exchange ticker symbol or CUSIP number (if applicable), the interest rate and maturity date (if applicable), the number of shares and the principal amount of each Reportable Security;
- The nature of the transaction (i.e., purchase, sale, gift or any other type of Acquisition or Disposition):
- The price of the Reportable Security at which the transaction was affected;
- The name of the broker, dealer or bank with or through which the transaction was affected; and
- The date the report is being submitted by the Access Person.

Annual Holdings Reports

At least once each twelve (12) month period by a date specified by the Chief Compliance Officer, a Certification and Holdings Report with the following information which must be current as of a date no more than 45 days prior to the date the report is submitted:

- The title, type of security, and as applicable the exchange ticker or CUSIP number, number of shares and principal amount of each Reportable Security in which the Access Person has any direct or indirect Beneficial Ownership;
- The name of any broker, dealer or bank in which the Access Person maintains an account in which securities (including but not limited to Reportable Securities) are held for the Access Person's direct or indirect Beneficial Ownership; and

- The date the report is being submitted by the Access Person.

Exceptions From Reporting Requirements

An Access Person need not submit:

- Any reports with respect to Securities held in accounts over which the Access Person had no direct or indirect influence or control;
- A transaction report with respect to transactions effected pursuant to an automatic investment plan;
- A transaction report if the report would duplicate information contained in broker trade confirmations or account statements that the Firm holds in its records so long as the Firm receives the confirmations or statements no later than 30 days after the close of the calendar quarter in which the transaction takes place.

Disclaimer of Beneficial Ownership

Any report submitted by an Access Person in accordance with this Code of Ethics may contain a statement that the report will not be construed as an admission by that person that he or she has any direct or indirect Beneficial Ownership in any Security or brokerage account to which the report relates. The existence of any report will not, by itself, be construed as an admission that any event included in the report is a violation of this Code of Ethics.

Annual Certification of Compliance

Each Access Person must submit annually, a Certification and Holdings Report by a date specified by the Chief Compliance Officer, that the Access Person:

- Has received, read and understand this Code of Ethics and recognizes that the Access Person is subject to the Code of Ethics;
- Has complied with all the requirements of this Code of Ethics; and
- Has disclosed or reported all personal securities transactions, holdings and accounts required by this Code of Ethics to be disclosed or reported.

CONFIDENTIALITY

Non-Disclosure of Confidential Information

No Access Person, except in the course of his or her duties, may reveal to any other person any information about securities transactions being considered for, recommended to, or executed on behalf of a Client Account. In addition, no Associated Person may use confidential information for their own benefit or disclose such confidential information to any third party, except as such disclosure or use may be required in connection with their employment or as may be consented to in writing by the Chief Compliance Officer. These provisions shall continue in full force and effect after termination of the Associated Persons relationship with the Firm, regardless of the reason for such termination.

Confidentiality of Information in Access Persons' Reports

All information obtained from any Access Person under this Code of Ethics normally will be kept in strict confidence by the Firm. However, reports of transactions and other information obtained under this Code of Ethics may be made available to the Commission, any other regulatory or self-regulatory organization or any other civil or criminal authority or court to the extent required by law or regulation or to the extent considered appropriate by management of the Firm. Furthermore, in the event of violations or apparent violations of the Code of Ethics, information may be made available to appropriate management and supervisory personnel of the Firm, to any legal counsel to the above persons and to the appropriate persons associated with a Client Account affected by the violation.

SANCTIONS

Upon determining that an Access Person has violated this Code of Ethics, the Firm's Chief Compliance Officer or his or her designee, may impose such sanctions as he or she deems appropriate. These include, but are not limited to, a letter of censure, disgorgement of profits obtained in connection with a violation, the imposition of fines, restrictions on future personal trading, termination of the Access Person's position or relationship with the Firm or referral to civil or criminal authorities.

DUTIES OF THE CHIEF COMPLIANCE OFFICER

Identifying and Notifying Access Persons

The Chief Compliance Officer will identify each Access Person and notify each Access Person that the person is subject to this Code of Ethics, including the reporting requirements.

Providing Information to Access Persons

The Chief Compliance Officer will provide advice, with the assistance of counsel, about the interpretation of this Code of Ethics.

Revising the Restricted Securities List

The Chief Compliance Officer shall ensure that the Restricted Securities List is updated as necessary.

Reviewing Reports

The Chief Compliance Officer will review the reports submitted by each Access Person to determine whether there may have been any transactions prohibited by this Code of Ethics.

Maintaining Records

In its books and records, the Firm shall maintain all documents related to the Code of Ethics including:

- A copy of the Code of Ethics adopted and implemented and any other Code of Ethics that has been in effect at any time within the past five years;
- A record of any violation of the Code of Ethics, and of any action taken as a result of the violation;
- A record of all written acknowledgments for each person who is currently, or within the past five years was, an Associated Person of the Firm;
- A record of each Access Person report described in the Code of Ethics;
- A record of the names of persons who are currently, or within the past five years were, Access Persons; and
- A record of any decision and the reasons supporting the decision, to approve the acquisition of beneficial ownership in any security in an initial public offering or limited offering, for at least five years after the end of the fiscal year in which the approval was granted.

Compliance and Review of the Chief Compliance Officer

The Chief Compliance Officer must comply with the Code of Ethics, including obtaining pre-clearance for certain activities and submitting any required forms and/or reports. The Chief Operations Officer or his or her designee shall be responsible for all of the duties otherwise performed by the Chief Compliance Officer with regard to ensuring the compliance of the Chief Compliance Officer.

Attestation

I certify that I have read and fully understand this code of ethics document. I will perform my job duties bound by all required policies contained in this document and will ensure compliance to them.

Name

____

Title ____

Date ______________________________

Appendix II:
ADV Parts I & II

Part 2A of Form ADV: Firm Brochure

Form ADV, Part 2A, Item 1

Cover Page

SUNPOINTE, LLC

7751 CARONDELET AVENUE, SUITE 702
ST. LOUIS, MISSOURI 63105

Tel: (314) 880-0821

April 6, 2020

FORM ADV PART 2
FIRM BROCHURE

This brochure provides information about the qualifications and business practices of Sunpointe, LLC. If you have any questions about the contents of this brochure, please contact us at (314) 880-0821. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Sunpointe, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Sunpointe, LLC is 282505.

Sunpointe, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Material Changes

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. Each year, we will ensure that you receive a summary of any material changes to this and subsequent brochures by April 30th. We will further provide you with our most recent brochure at any time at your request, without charge. You may request a brochure by contacting us at (314) 880-0821.

The following changes have been made since our last update filed on March 2, 2020:

- Registration with the U.S. Securities and Exchange Commission was submitted on 3/3/2020.
- Sunpointe, LLC was registered with the U.S. Securities and Exchange Commission on 4/1/2020.

Table of Contents

Table of Contents

Advisory Business

Sunpointe, LLC (may be referred to hereinafter to as "Sunpointe") is a Registered Investment Adviser based in St. Louis, Missouri, and incorporated under the laws of the U.S Securities and Exchange Commission. Founded in 2016, Sunpointe, LLC provides investment advisory services which may include, but are not limited to, the review of client investment objectives and goals, recommending asset allocation strategies of managed assets among investment products such as cash, stocks, mutual funds and bonds, annuities, and/or preparing written investment strategies. Investment advice is tailored to meet clients' needs and investment objectives. Sunpointe provides financial planning and consulting services including, but not limited to, risk assessment, investment research and advice. As a part of the financial planning and consulting services, Sunpointe may also perform due diligence and make recommendations for third party money managers. For all asset management services, Sunpointe manages the assets and does not make recommendations for third party money managers. Prior to introducing any clients to another investment advisor, Sunpointe will be responsible for determining if they are properly licensed, notice filed or exempt from registration with the Department.

Sunpointe, LLC provides asset management and financial planning/consulting services through its Investment Advisory Representatives ("IAR") to agreed-upon services with Sunpointe, LLC. We provide advisory services to high net worth individuals.

Sunpointe, LLC is 90% owned by Michael Pompian. Sunpointe, LLC is registered with the U.S. Securities and Exchange Commission ("SEC") and is subject to its rules and regulations.

Sunpointe provides clients with asset management and financial planning/consulting services, and clients are hereby advised that lower fees for comparable services may be available from other sources.

Sunpointe, LLC provides asset management and financial planning/consulting services, and manages portfolios through its custodial relationships with Charles Schwab & Co., Inc. ("Schwab") and Bank of New York Mellon ("BNY Mellon"). Some clients may grant Sunpointe, LLC access to their accounts to conduct discretionary or non-discretionary trading. Additionally, in providing financial planning and consulting services, Sunpointe may assist some of its clients in determining the suitability of certain types of investments. The IAR will not be compensated based on what type of products are discussed or recommended, but through a percentage of assets under management or advisement. Services provided to clients as a part of financial planning services may include the following:

- Performing due diligence
- Recommending strategic asset and style allocations
- Providing research on investment product options, as needed
- Assessing client suitability/risk

Sunpointe, LLC provides services that include "Assets Under Advisement" as well as "Assets Under Management". Assets Under Advisement are assets that Sunpointe provides advice or consultation for as well as monitors, but for which we only make recommendations and we do not have discretionary authority nor effectuate transactions. The amount of Sunpointe, LLC's Assets Under Advisement, as of December 31, 2019, was $2,460,462,290.

Assets Under Management, under the SEC's regulatory definition, are securities portfolios for which we provide continuous and regular supervisory or management services. Sunpointe, LLC will provide either discretionary or non-discretionary services for these types of accounts. (Please refer to Item 16 "Investment Discretion" for more detailed information on discretionary authority and services).

As of December 31, 2019, the firm has the following Assets Under Management:

Discretionary Assets Under Management: $48,705,244
Non-Discretionary Assets Under Management: $61, 716,535
Total Assets Under Management: $110,421,778

Form ADV, Part 2A, Item 5

Fees and Compensation

The following types of fees will be assessed:

Asset Management – Asset management services are provided on a discretionary or non-discretionary basis, and charged based on the amount of assets under management.

Total Account Value	Maximum Annual Advisory Fee
Under $3,000,000	1.00%
$3,000,001 or more	Negotiable

Financial Planning and Consulting – Financial planning and consulting services are charged as a percentage of assets under advisement according to the fee schedule below:

Total Account Value	Maximum Annual Advisory Fee
Under $3,000,000	1.00%
$3,000,001 or more	Negotiable

All advisory fees are billed quarterly in advance. Financial planning and consulting, or asset management, may also be charged at a fixed negotiated rate, as agreed upon between the Client and Sunpointe, LLC, depending on the scope and complexity of the services provided and amount of assets under management. Fixed fees typically range from $50,000 to $200,000 annually and may be negotiated. Fixed fees charged for assets under management will never exceed the fee schedule above.

As authorized in the client agreement, the account custodian withdraws Sunpointe, LLC's advisory fees directly from the clients' accounts according to the custodian's policies, practices, and procedures. The custodial statement includes the amount of any fees paid to Sunpointe, LLC for advisory services. You should carefully review the statement from your custodian/broker-dealer's statement and verify the calculation of fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations. Advisory fees may also be directly billed, and those fees may be paid to Sunpointe by check, credit card, or wire.

If the relationship is terminated by either party, the client will receive a prorated refund of unearned fees. When a copy of the Brochure Document(s) is not provided to the client at least 48 hours prior to signing the contract(s), Client has five business days in which to cancel the contract, without penalty. Thereafter, either party may terminate with thirty days' notice provided in writing to the other party. There will never be an instance where $1200 or more in fees is charged six or more months in advance. Fees are negotiable and vary depending upon the complexity of the client situation and services to be provided. Similar financial planning services may be available elsewhere for a lower cost to the client.

Additional Fees and Expenses

In addition to advisory fees paid to Sunpointe, LLC as explained above, clients may pay custodial service, account maintenance, transaction, and other fees associated with maintaining the account. These fees vary by broker and/or custodian. Clients should ask Sunpointe, LLC for details on transaction fees or other custodial fees specific to their account, as these fees are not included in the annual advisory fee. Sunpointe, LLC does not share any portion of such fees. Additionally, for any mutual funds purchased, the client may pay their proportionate share of the funds' distribution, internal management, investment advisory and administrative fees. Such fees are not shared with Sunpointe, LLC and are compensation to the fund manager. Clients are urged to read the mutual fund prospectus prior to investing.

Mutual fund companies impose internal fees and expenses on clients. These fees are in addition to the costs associated with the investment advisory services as described above. Complete details of such internal expenses are specified and disclosed in each mutual fund company's prospectus. Clients are strongly advised to review the prospectus(es) prior to investing in such securities.

Mutual funds purchased or sold in broker-dealer accounts may generate transaction fees that would not exist if the purchase or sale were made directly with the mutual fund company. Mutual funds held in broker-dealer accounts also charge management fees. These mutual fund management fees may be more or less than the mutual fund management fees charged if the client held the mutual fund directly with the mutual fund company.

Clients may purchase shares of mutual funds directly from the mutual fund issuer, its principal underwriter, or a distributor without purchasing the services of Sunpointe, LLC or paying the advisory fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the applicable advisory fee. However, clients would not receive Sunpointe, LLC's assistance in developing an investment strategy, selecting securities, monitoring performance of the account, and making changes as necessary.

Form ADV, Part 2A, Item 6

Performance-Based Fees and Side-By-Side Management

Sunpointe does not charge performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or appreciation of the assets of a client. Our fees are calculated as described in Fees and Compensation section above, and are not charged on the basis of performance of your advisory account.

Form ADV, Part 2A, Item 7

Types of Clients

Sunpointe offers investment advisory services to high net worth individuals. In general, a minimum of $10,000,000 is required to begin an advisory relationship. At our discretion, we may waive the minimum requirement. For example, we may waive the minimum if you appear to have significant potential for additional services, or if there are services provided to multiple members of a family, for example in estate planning.

Form ADV, Part 2A, Item 8

Methods of Analysis, Investment Strategies, and Risk of Loss

Sunpointe's methods of analysis and investment strategies incorporate the client's needs and investment objectives, time horizon, and risk tolerance. Sunpointe is not bound to a specific investment strategy for the recommendation of investments, but rather considers the risk tolerance levels pre-determined gathered at the account opening, as well as on an on-going basis. Examples of methodologies that our recommended investment strategies may incorporate include:

Asset Allocation – Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk.

Dollar-Cost Averaging – Dollar-cost averaging is the technique of buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. This will gradually, over time, decrease the average share price of the security. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

Alternative asset investments (including investments in private investment funds) involve a significant degree of risk and are suitable only for clients of substantial means who have no immediate need for liquidity of the amount invested and who can afford a risk of loss of all or a substantial part of such investment. Identifying attractive private market investment opportunities and the right investment sponsors is difficult and involves a high degree of uncertainty. Clients will be competing for investment opportunities with other potential investors, some of which may have greater access to investment opportunities, ability to complete investments, resources and/or different return criteria, any of which may afford them a competitive advantage. There can be no assurance that Sunpointe will be able to identify, or that Sunpointe or clients will be able to complete, investments that will satisfy rate of return objectives or that will be able to fully invest a client's targeted capital commitment. There is no assurance that such investments will be profitable and there is a substantial risk that associated losses and expenses will exceed income and gains.

Private market investments require a commitment by clients for an extended period of time to contribute substantial amounts of capital, if and when called and often on short notice. Clients who are unwilling or unable to comply with their capital contribution obligations risk forfeiture of a portion, and possibly all, of their investments. Furthermore, clients will generally not be permitted to transfer their interests in such investments without the consent of the sponsors, which generally may be granted or withheld in the sponsor's sole discretion, and upon satisfaction of certain other conditions, including compliance with applicable federal, state and non-U.S. securities laws.

There generally will be little or no publicly available information regarding private market investments, their sponsors or their prospects. Many investment recommendations and/or investment decisions made by Sunpointe will be based on information from non-public sources, and Sunpointe often will be required to make investment recommendations and/or investment decisions without complete information or in reliance upon information provided by investment sponsors and other third parties that is impossible or impracticable to verify.

Investing in securities involves risk of loss that clients should be prepared to bear. Although we manage your portfolio with strategies and in a manner consistent with your risk tolerances, there can be no guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. Regardless of the methods of analysis or strategies suggested for your particular investment goals, you should carefully consider these risks, as they all bear risks.

Below are some more specific risks of investing:

Market Risk. The prices of securities in which clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by the client or an underlying fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.

Management Risk. Sunpointe's investment approach may fail to produce the intended results. If our perception of the performance of a specific asset class or underlying fund is not realized in the expected time frame, the overall performance of client's portfolio may suffer.

Equity Risk. Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, 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.

Fixed Income Risk. The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

Municipal Securities Risk. The value of municipal obligations can fluctuate over time, and may be affected by adverse political, legislative and tax changes, as well as by financial developments that affect the municipal issuers. Because many municipal obligations are issued to finance similar projects by municipalities (e.g., housing, healthcare, water and sewer projects, etc.), conditions in the sector related to the project can affect the overall municipal market. Payment of municipal obligations may depend on an issuer's general unrestricted revenues, revenue generated by a specific project, the operator of the project, or government appropriation or aid. There is a greater risk if investors can look only to the revenue generated by the project. In addition, municipal bonds generally are traded in the "over-the-counter" market among dealers and other large institutional investors. From time to time, liquidity in the municipal bond market (the ability to buy and sell bonds readily) may be reduced in response to overall economic conditions and credit tightening.

Investment Companies Risk. When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Sunpointe has no control over the risks taken by the underlying funds.

Form ADV, Part 2A, Item 9

Disciplinary Information

A criminal or civil action in a domestic foreign or military court of competent jurisdiction.

We do not have anything to report for this item.

An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.

We do not have anything to report for this item.

A self-regulatory organization proceeding.

We do not have anything to report for this item.

Form ADV, Part 2A, Item 10

Other Financial Industry Activities and Affiliations

None of the IARs of Sunpointe, LLC are currently registered with any broker dealer and do not have any other business activities.

Form ADV, Part 2A, Item 11

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Sunpointe's Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect client interests at all times and to demonstrate our commitment to fiduciary duties of honesty, good faith, and fair dealing. All of Sunpointe's Associated Persons are expected to strictly adhere to these guidelines and must sign an annual attestation to this fact. Persons associated with Sunpointe may buy or sell securities for itself that we also recommend to clients. In addition, employees may buy or sell the same securities for their personal and family accounts that are recommended to you.

Sunpointe allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities, we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you.

At no time, will Sunpointe or any associated person of Sunpointe, transact in any security to the detriment of any Client.

Sunpointe's Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Angela Pompian at (314) 880-0821.

Form ADV, Part 2A, Item 12

Brokerage Practices

In order for Sunpointe, LLC to provide asset management services, we request you utilize the brokerage and custodial services of Schwab or BNY Mellon, for which we have an existing relationship. In considering which independent qualified custodian will be the best fit for Sunpointe, LLC's business model, we evaluate the following factors, which is not an all- inclusive list:

- Financial strength
- Reputation
- Reporting capabilities
- Execution capabilities
- Pricing
- Types and quality of research

While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship. Such relationships may include benefits provided to our firm, including, but not limited to research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker- dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or ensure best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer.

Sunpointe, LLC does not have any soft dollar arrangements.

Sunpointe, LLC does not receive client referrals from broker dealers in exchange for cash or other compensation, such as brokerage services or research.

Sunpointe, LLC may combine multiple orders for shares of the same securities purchased for advisory accounts we manage, including our personal accounts, by placing concurrent orders to be executed as a single "block" in order to facilitate orderly and efficient execution. Each client account will be charged or credited with the average price per unit. We receive no additional compensation or remuneration of any kind because we aggregate client transactions, and no client is favored over any other client.

Form ADV, Part 2A, Item 13

Review of Accounts

Asset management accounts and financial plans are reviewed at least quarterly by the Chief Investment Officer of the firm, Michael Pompian. Financial plans are provided in a hard-copy and/ or electronic format, and any necessary updates will be provided in writing. IARs may meet with clients as frequently as is agreed or as requested by the client or IAR, but will meet with the clients at least annually.

Form ADV, Part 2A, Item 14

Client Referrals and Other Compensation

Sunpointe does not compensate any individual or firm for client referrals.

Form ADV, Part 2A, Item 15

Custody

Any investment advisor having custody or access to customer funds or securities must comply with certain rules and regulations designed to protect the clients' assets. Rule 206(4)-2 of the Investment Advisers Act of 1940 details strict requirements governing investment advisors that have "custody" over client securities or funds. Sunpointe meets the definition of having custody due to the following circumstances:

- Sunpointe directly debits fees from client accounts
- Sunpointe's employees may act as trustee for client accounts

Sunpointe, LLC does not have physical custody of any client funds and/or securities. Client funds and securities will be held with a bank, broker dealer, or other independent qualified custodian. You will receive account statements from the independent, qualified custodian holding your funds at least quarterly. The account statement from your custodian will indicate the amount of advisory fees deducted from your account(s) each billing cycle. Clients should carefully review statements received from the custodian. Sunpointe also sends quarterly invoices detailing the manner and amount of advisory fees to all clients. Sunpointe does not send account statements as these are sent by each custodian.

Standing Letters of Authorization

Some clients may execute limited powers of attorney or other standing letters of authorization that permit the firm to transfer money from their account with the client's independent qualified Custodian to third-parties. This authorization to direct the Custodian may be deemed to cause our firm to exercise limited custody over your funds or securities and for regulatory reporting purposes, we are required to keep track of the number of clients and accounts for which we may have this ability. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate any transfers that may have taken place within your account(s) each billing period. You should carefully review account statements for accuracy.

Form ADV, Part 2A, Item 16

Investment Discretion

Before Sunpointe, LLC can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a limited power of attorney, and/or trading authorization forms. By choosing to do so, you may grant the firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. Clients may impose limitations on discretionary authority for investing in certain securities or types of securities (such as a product type, specific companies, specific sectors, etc.), as well as other limitations as expressed by the client. Limitations on discretionary authority must be provided to the IAR in writing. Please refer to the "Advisory Business" section of this Brochure for more information on our discretionary management services.

Form ADV, Part 2A, Item 17

Voting Client Securities

Sunpointe, LLC does not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

Form ADV, Part 2A, Item 18

Financial Information

Sunpointe, LLC is not required to provide financial information to our clients because we do not require or solicit the prepayment of more than $1200 six or more months in advance.

Form ADV, Part 2A, Item 19

Requirements for State-Registered Advisers

This section is not applicable because the firm is registered with the U.S. Securities and Exchange Commission.

FORM ADV

UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION AND REPORT BY EXEMPT REPORTING ADVISERS

Primary Business Name: SUNPOINTE INVESTMENTS **CRD Number: 282505**
Annual Amendment - All Sections **Rev. 10/2017**
3/2/2020 3:27:58 PM

WARNING: Complete this form truthfully. False statements or omissions may result in denial of your application, revocation of your registration, or criminal prosecution. You must keep this form updated by filing periodic amendments. See Form ADV General Instruction 4.

Item 1 Identifying Information

Responses to this Item tell us who you are, where you are doing business, and how we can contact you. If you are filing an *umbrella registration*, the information in Item 1 should be provided for the *filing adviser* only. General Instruction 5 provides information to assist you with filing an *umbrella registration*.

A. Your full legal name (if you are a sole proprietor, your last, first, and middle names):
SUNPOINTE, LLC

B. (1) Name under which you primarily conduct your advisory business, if different from Item 1.A.
SUNPOINTE INVESTMENTS

List on Section 1.B. of Schedule D any additional names under which you conduct your advisory business.

(2) If you are using this Form ADV to register more than one investment adviser under an *umbrella registration*, check this box ☐

If you check this box, complete a Schedule R for each relying adviser.

C. If this filing is reporting a change in your legal name (Item 1.A.) or primary business name (Item 1.B.(1)), enter the new name and specify whether the name change is of
☐ your legal name or ☐ your primary business name:

D. (1) If you are registered with the SEC as an investment adviser, your SEC file number:
(2) If you report to the SEC as an *exempt reporting adviser*, your SEC file number:
(3) If you have one or more Central Index Key numbers assigned by the SEC ("CIK Numbers"), all of your CIK numbers:
No Information Filed

E. (1) If you have a number ("*CRD* Number") assigned by the *FINRA's CRD* system or by the IARD system, your *CRD* number: **282505**

If your firm does not have a CRD number, skip this Item 1.E. Do not provide the CRD number of one of your officers, employees, or affiliates.

(2) If you have additional *CRD* Numbers, your additional *CRD* numbers:
No Information Filed

F. *Principal Office and Place of Business*

(1) Address (do not use a P.O. Box):

Number and Street 1:		Number and Street 2:	
7751 CARONDELET AVENUE		SUITE 702	
City:	State:	Country:	ZIP+4/Postal Code:
ST. LOUIS	Missouri	United States	63105

If this address is a private residence, check this box: ☐

List on Section 1.F. of Schedule D any office, other than your principal office and place of business, at which you conduct investment advisory business. If you are applying for registration, or are registered, with one or more state securities authorities, you must list all of your offices in the state or states to which you are applying for registration or with whom you are registered. If you are applying for SEC registration, if you are registered only with the SEC, or if you are reporting to the SEC as an exempt reporting adviser, list the largest twenty-five offices in terms of numbers of employees as of the end of your most recently completed fiscal year.

(2) Days of week that you normally conduct business at your *principal office and place of business:*

◉ Monday - Friday ○ Other:
Normal business hours at this location:
9-5

(3) Telephone number at this location:
314-880-0821
(4) Facsimile number at this location, if any:
314-889-4878
(5) What is the total number of offices, other than your *principal office and place of business*, at which you conduct investment advisory business as of the end of your most recently completed fiscal year?
2

G. Mailing address, if different from your *principal office and place of business* address:

Number and Street 1:		Number and Street 2:	
City:	State:	Country:	ZIP+4/Postal Code:

If this address is a private residence, check this box: ☐

H. If you are a sole proprietor, state your full residence address, if different from your *principal office and place of business* address in Item 1.F.:

Number and Street 1:		Number and Street 2:	
City:	State:	Country:	ZIP+4/Postal Code:

	Yes	No
I. Do you have one or more websites or accounts on publicly available social media platforms (including, but not limited to, Twitter, Facebook and LinkedIn)?	◉	○

If "yes," list all firm website addresses and the address for each of the firm's accounts on publicly available social media platforms on Section 1.I. of Schedule D. If a website address serves as a portal through which to access other information you have published on the web, you may list the portal without listing addresses for all of the other information. You may need to list more than one portal address. Do not provide the addresses of websites or accounts on publicly available social media platforms where you do not control the content. Do not provide the individual electronic mail (e-mail) addresses of employees or the addresses of employee accounts on publicly available social media platforms.

J. Chief Compliance Officer

(1) Provide the name and contact information of your Chief Compliance Officer. If you are an *exempt reporting adviser*, you must provide the contact information for your Chief Compliance Officer, if you have one. If not, you must complete Item 1.K. below.

Name: ANGELA POMPIAN		Other titles, if any: OPERATIONS	
Telephone number: 314-605-4753		Facsimile number, if any:	
Number and Street 1: 7751 CARONDELET AVENUE		Number and Street 2: SUITE 702	
City: ST. LOUIS	State: Missouri	Country: United States	ZIP+4/Postal Code: 63105

Electronic mail (e-mail) address, if Chief Compliance Officer has one:
ANGELA@SUNPOINTEINVESTMENTS.COM

(2) If your Chief Compliance Officer is compensated or employed by any *person* other than you, a *related person* or an investment company registered under the Investment Company Act of 1940 that you advise for providing chief compliance officer services to you, provide the *person's* name and IRS Employer Identification Number (if any):

Name:

IRS Employer Identification Number:

K. Additional Regulatory Contact Person: If a person other than the Chief Compliance Officer is authorized to receive information and respond to questions about this Form ADV, you may provide that information here.

Name:		Titles:	
Telephone number:		Facsimile number, if any:	
Number and Street 1:		Number and Street 2:	
City:	State:	Country:	ZIP+4/Postal Code:

Electronic mail (e-mail) address, if contact person has one:

	Yes	No
L. Do you maintain some or all of the books and records you are required to keep under Section 204 of the Advisers Act, or similar state law, somewhere other than your *principal office and place of business*?	○	◉

If "yes," complete Section 1.L. of Schedule D.

		Yes	No
M.	Are you registered with a *foreign financial regulatory authority*?	○	◉

Answer "no" if you are not registered with a foreign financial regulatory authority, even if you have an affiliate that is registered with a foreign financial regulatory authority. If "yes," complete Section 1.M. of Schedule D.

		Yes	No
N.	Are you a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934?	○	◉

		Yes	No
O.	Did you have $1 billion or more in assets on the last day of your most recent fiscal year? If yes, what is the approximate amount of your assets:	○	◉

○ $1 billion to less than $10 billion

○ $10 billion to less than $50 billion

○ $50 billion or more

For purposes of Item 1.O. only, "assets" refers to your total assets, rather than the assets you manage on behalf of clients. Determine your total assets using the total assets shown on the balance sheet for your most recent fiscal year end.

P. Provide your *Legal Entity Identifier* if you have one:

A *legal entity identifier* is a unique number that companies use to identify each other in the financial marketplace. You may not have a *legal entity identifier*.

SECTION 1.B. Other Business Names

No Information Filed

SECTION 1.F. Other Offices

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:
950 N. WASHINGTON STREET

Number and Street 2:

City:	State:	Country:	ZIP+4/Postal Code:
ALEXANDRIA	Virginia	United States	22314

If this address is a private residence, check this box: ☐

Telephone Number:
314-880-0821

Facsimile Number, if any:

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

How many *employees* perform investment advisory functions from this office location?
1

Are other business activities conducted at this office location? (check all that apply)

☐ (1) Broker-dealer (registered or unregistered)
☐ (2) Bank (including a separately identifiable department or division of a bank)
☐ (3) Insurance broker or agent
☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
☐ (5) Registered municipal advisor
☐ (6) Accountant or accounting firm

☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Section 1.F. for each location. If you are applying for SEC registration, if you are registered only with the SEC, or if you are an *exempt reporting adviser*, list only the largest twenty-five offices (in terms of numbers of *employees*).

Number and Street 1:		Number and Street 2:	
507 RAMBLEWOOD DRIVE			
City:	State:	Country:	ZIP+4/Postal Code:
BRYN MAWR	Pennsylvania	United States	19010

If this address is a private residence, check this box: ☐

Telephone Number:	Facsimile Number, if any:
(215) 688-2909	

If this office location is also required to be registered with FINRA or a *state securities authority* as a branch office location for a broker-dealer or investment adviser on the Uniform Branch Office Registration Form (Form BR), please provide the *CRD* Branch Number here:

How many *employees* perform investment advisory functions from this office location?
1

Are other business activities conducted at this office location? (check all that apply)
☐ (1) Broker-dealer (registered or unregistered)
☐ (2) Bank (including a separately identifiable department or division of a bank)
☐ (3) Insurance broker or agent
☐ (4) Commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
☐ (5) Registered municipal advisor
☐ (6) Accountant or accounting firm
☐ (7) Lawyer or law firm

Describe any other *investment-related* business activities conducted from this office location:

SECTION 1.I. Website Addresses

List your website addresses, including addresses for accounts on publicly available social media platforms where you control the content (including, but not limited to, Twitter, Facebook and/or LinkedIn). You must complete a separate Schedule D Section 1.I. for each website or account on a publicly available social media platform.

Address of Website/Account on Publicly Available Social Media Platform: HTTP://WWW.SUNPOINTEINVESTMENTS.COM

Address of Website/Account on Publicly Available Social Media Platform: HTTPS://WWW.LINKEDIN.COM/COMPANY/SUNPOINTE-INVESTMENTS.COM

Address of Website/Account on Publicly Available Social Media Platform: HTTPS://TWITTER.COM/SUNPOINTEI

SECTION 1.L. Location of Books and Records

No Information Filed

SECTION 1.M. Registration with Foreign Financial Regulatory Authorities

No Information Filed

Item 3 Form of Organization

If you are filing an *umbrella registration*, the information in Item 3 should be provided for the *filing adviser* only.

A. How are you organized?

- ○ Corporation
- ○ Sole Proprietorship
- ○ Limited Liability Partnership (LLP)
- ○ Partnership
- ◉ Limited Liability Company (LLC)
- ○ Limited Partnership (LP)
- ○ Other (specify):

If you are changing your response to this Item, see Part 1A Instruction 4.

B. In what month does your fiscal year end each year?
DECEMBER

C. Under the laws of what state or country are you organized?

State	Country
Missouri	United States

If you are a partnership, provide the name of the state or country under whose laws your partnership was formed. If you are a sole proprietor, provide the name of the state or country where you reside.

If you are changing your response to this Item, see Part 1A Instruction 4.

Item 4 Successions

		Yes	No
A.	Are you, at the time of this filing, succeeding to the business of a registered investment adviser, including, for example, a change of your structure or legal status (e.g., form of organization or state of incorporation)?	○	◉

If "yes", complete Item 4.B. and Section 4 of Schedule D.

B. Date of Succession: (MM/DD/YYYY)

If you have already reported this succession on a previous Form ADV filing, do not report the succession again. Instead, check "No." See Part 1A Instruction 4.

SECTION 4 Successions

No Information Filed

2.c

Item 5 Information About Your Advisory Business - Employees, Clients, and Compensation

Responses to this Item help us understand your business, assist us in preparing for on-site examinations, and provide us with data we use when making regulatory policy. Part 1A Instruction 5.a. provides additional guidance to newly formed advisers for completing this Item 5.

Employees

If you are organized as a sole proprietorship, include yourself as an employee in your responses to Item 5.A. and Items 5.B.(1), (2), (3), (4), and (5). If an employee performs more than one function, you should count that employee in each of your responses to Items 5.B.(1), (2), (3), (4), and (5).

A. Approximately how many *employees* do you have? Include full- and part-time *employees* but do not include any clerical workers.
6

B. (1) Approximately how many of the *employees* reported in 5.A. perform investment advisory functions (including research)?
6

(2) Approximately how many of the *employees* reported in 5.A. are registered representatives of a broker-dealer?
0

(3) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives*?
6

(4) Approximately how many of the *employees* reported in 5.A. are registered with one or more *state securities authorities* as *investment adviser representatives* for an investment adviser other than you?
0

(5) Approximately how many of the *employees* reported in 5.A. are licensed agents of an insurance company or agency?
1

(6) Approximately how many firms or other *persons* solicit advisory *clients* on your behalf?
0

In your response to Item 5.B.(6), do not count any of your employees and count a firm only once – do not count each of the firm's employees that solicit on your behalf.

Clients

In your responses to Items 5.C. and 5.D. do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

C. (1) To approximately how many *clients* for whom you do not have regulatory assets under management did you provide investment advisory services during your most recently completed fiscal year?
5

(2) Approximately what percentage of your *clients* are non-*United States persons*?
0%

D. *For purposes of this Item 5.D., the category "individuals" includes trusts, estates, and 401(k) plans and IRAs of individuals and their family members, but does not include businesses organized as sole proprietorships.*
The category "business development companies" consists of companies that have made an election pursuant to section 54 of the Investment Company Act of 1940. Unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, do not answer (d)(1) or (d)(3) below.

Indicate the approximate number of your *clients* and amount of your total regulatory assets under management (reported in Item 5.F. below) attributable to each of the following type of *client*. If you have fewer than 5 *clients* in a particular category (other than (d), (e), and (f)) you may check Item 5.D.(2) rather than respond to Item 5.D.(1).

The aggregate amount of regulatory assets under management reported in Item 5.D.(3) should equal the total amount of regulatory assets under management reported in Item 5.F.(2)(c) below.

If a *client* fits into more than one category, select one category that most accurately represents the *client* to avoid double counting *clients* and assets. If you advise a registered investment company, business development company, or pooled investment vehicle, report those assets in categories (d), (e), and (f) as applicable.

Type of *Client*	**(1) Number of *Client(s)***	**(2) Fewer than 5 *Clients***	**(3) Amount of Regulatory Assets under Management**
(a) Individuals (other than *high net worth individuals*)		☐	$
(b) *High net worth individuals*	9	☐	$ 110,421,778

(c) Banking or thrift institutions		☐	$
(d) Investment companies			$
(e) Business development companies			$
(f) Pooled investment vehicles (other than investment companies and business development companies)			$
(g) Pension and profit sharing plans (but not the plan participants or government pension plans)		☐	$
(h) Charitable organizations		☐	$
(i) State or municipal *government entities* (including government pension plans)		☐	$
(j) Other investment advisers		☐	$
(k) Insurance companies		☐	$
(l) Sovereign wealth funds and foreign official institutions		☐	$
(m) Corporations or other businesses not listed above		☐	$
(n) Other:		☐	$

Compensation Arrangements

E. You are compensated for your investment advisory services by (check all that apply):

- ☑ (1) A percentage of assets under your management
- ☐ (2) Hourly charges
- ☐ (3) Subscription fees (for a newsletter or periodical)
- ☑ (4) Fixed fees (other than subscription fees)
- ☐ (5) Commissions
- ☐ (6) *Performance-based fees*
- ☐ (7) Other (specify):

Item 5 Information About Your Advisory Business - Regulatory Assets Under Management

Regulatory Assets Under Management

Yes No

F. (1) Do you provide continuous and regular supervisory or management services to securities portfolios? ◉ Yes ○ No

(2) If yes, what is the amount of your regulatory assets under management and total number of accounts?

		U.S. Dollar Amount		Total Number of Accounts
Discretionary:	(a)	$ 48,705,243	(d)	34
Non-Discretionary:	(b)	$ 61,716,535	(e)	25
Total:	(c)	$ 110,421,778	(f)	59

Part 1A Instruction 5.b. explains how to calculate your regulatory assets under management. You must follow these instructions carefully when completing this Item.

(3) What is the approximate amount of your total regulatory assets under management (reported in Item 5.F.(2)(c) above) attributable to *clients* who are non-*United States persons*?

$ 0

Item 5 Information About Your Advisory Business - Advisory Activities

Advisory Activities

G. What type(s) of advisory services do you provide? Check all that apply.

- ☑ (1) Financial planning services
- ☑ (2) Portfolio management for individuals and/or small businesses
- ☐ (3) Portfolio management for investment companies (as well as "business development companies" that have made an election pursuant to section 54 of the Investment Company Act of 1940)
- ☐ (4) Portfolio management for pooled investment vehicles (other than investment companies)
- ☐ (5) Portfolio management for businesses (other than small businesses) or institutional *clients* (other than registered investment companies and other pooled investment vehicles)
- ☐ (6) Pension consulting services
- ☑ (7) Selection of other advisers (including *private fund* managers)
- ☐ (8) Publication of periodicals or newsletters
- ☐ (9) Security ratings or pricing services
- ☐ (10) Market timing services
- ☐ (11) Educational seminars/workshops
- ☑ (12) Other(specify): CONSULTING SERVICES

Do not check Item 5.G.(3) unless you provide advisory services pursuant to an investment advisory contract to an investment company registered under the Investment Company Act of 1940, including as a subadviser. If you check Item 5.G.(3), report the 811 or 814 number of the investment company or investment companies to which you provide advice in Section 5.G.(3) of Schedule D.

H. If you provide financial planning services, to how many *clients* did you provide these services during your last fiscal year?

- ○ 0
- ◉ 1 - 10
- ○ 11 - 25
- ○ 26 - 50
- ○ 51 - 100
- ○ 101 - 250
- ○ 251 - 500
- ○ More than 500

If more than 500, how many?
(round to the nearest 500)

In your responses to this Item 5.H., do not include as "clients" the investors in a private fund you advise, unless you have a separate advisory relationship with those investors.

	Yes	No
I. (1) Do you participate in a *wrap fee program*?	○	◉

(2) If you participate in a *wrap fee program*, what is the amount of your regulatory assets under management attributable to acting as:

(a) *sponsor* to a *wrap fee program*
$

(b) portfolio manager for a *wrap fee program*?
$

(c) *sponsor* to and portfolio manager for the same *wrap fee program*?
$

If you report an amount in Item 5.I.(2)(c), do not report that amount in Item 5.I.(2)(a) or Item 5.I.(2)(b).

If you are a portfolio manager for a wrap fee program, list the names of the programs, their sponsors and related information in Section 5.I.(2) of Schedule D.

If your involvement in a wrap fee program is limited to recommending wrap fee programs to your clients, or you advise a mutual fund that is offered through a wrap fee program, do not check Item 5.I.(1) or enter any amounts in response to Item 5.I.(2).

	Yes	No
J. (1) In response to Item 4.B. of Part 2A of Form ADV, do you indicate that you provide investment advice only with respect to limited types of investments?	○	◉
(2) Do you report *client* assets in Item 4.E. of Part 2A that are computed using a different method than the method used to compute your regulatory assets under management?	○	◉

K. Separately Managed Account *Clients*

	Yes	No
(1) Do you have regulatory assets under management attributable to *clients* other than those listed in Item 5.D.(3)(d)-(f) (separately managed account *clients*)?	◉	○

If yes, complete Section 5.K.(1) of Schedule D.

	Yes	No
(2) Do you engage in borrowing transactions on behalf of any of the separately managed account *clients* that you advise?	○	◉

If yes, complete Section 5.K.(2) of Schedule D.

	Yes	No
(3) Do you engage in derivative transactions on behalf of any of the separately managed account *clients* that you advise?	○	◉

If yes, complete Section 5.K.(2) of Schedule D.

	Yes	No
(4) After subtracting the amounts in Item 5.D.(3)(d)-(f) above from your total regulatory assets under management, does any custodian hold ten percent or more of this remaining amount of regulatory assets under management?	◉	○

If yes, complete Section 5.K.(3) of Schedule D for each custodian.

SECTION 5.G.(3) Advisers to Registered Investment Companies and Business Development Companies

No Information Filed

SECTION 5.I.(2) ***Wrap Fee Programs***

No Information Filed

SECTION 5.K.(1) Separately Managed Accounts

After subtracting the amounts reported in Item 5.D.(3)(d)-(f) from your total regulatory assets under management, indicate the approximate percentage of this remaining amount attributable to each of the following categories of assets. If the remaining amount is at least $10 billion in regulatory assets under management, complete Question (a). If the remaining amount is less than $10 billion in regulatory assets under management, complete Question (b).

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment* . Mid-year is the date six months before the end of year date. Each column should add up to 100% and numbers should be rounded to the nearest percent.

Investments in derivatives, registered investment companies, business development companies, and pooled investment vehicles should be reported in those categories. Do not report those investments based on related or underlying portfolio assets. Cash equivalents include bank deposits, certificates of deposit, bankers' acceptances and similar bank instruments.

Some assets could be classified into more than one category or require discretion about which category applies. You may use your own internal methodologies and the conventions of your service providers in determining how to categorize assets, so long as the methodologies or conventions are consistently applied and consistent with information you report internally and to current and prospective clients. However, you should not double count assets, and your responses must be consistent with any instructions or other guidance relating to this Section.

(a)

Asset Type	**Mid-year**	**End of year**
(i) Exchange-Traded Equity Securities	%	%
(ii) Non Exchange-Traded Equity Securities	%	%
(iii) U.S. Government/Agency Bonds	%	%
(iv) U.S. State and Local Bonds	%	%
(v) *Sovereign Bonds*	%	%
(vi) Investment Grade Corporate Bonds	%	%
(vii) Non-Investment Grade Corporate Bonds	%	%
(viii) Derivatives	%	%
(ix) Securities Issued by Registered Investment Companies or Business Development Companies	%	%
(x) Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	%	%
(xi) Cash and Cash Equivalents	%	%
(xii) Other	%	%

Generally describe any assets included in "Other"

(b)

Asset Type	**End of year**
(i) Exchange-Traded Equity Securities	15 %
(ii) Non Exchange-Traded Equity Securities	0 %
(iii) U.S. Government/Agency Bonds	0 %
(iv) U.S. State and Local Bonds	4 %
(v) *Sovereign Bonds*	0 %
(vi) Investment Grade Corporate Bonds	0 %
(vii) Non-Investment Grade Corporate Bonds	0 %
(viii) Derivatives	0 %

(ix)	Securities Issued by Registered Investment Companies or Business Development Companies	52 %
(x)	Securities Issued by Pooled Investment Vehicles (other than Registered Investment Companies or Business Development Companies)	26 %
(xi)	Cash and Cash Equivalents	3 %
(xii)	Other	0 %

Generally describe any assets included in "Other"

SECTION 5.K.(2) Separately Managed Accounts - Use of *Borrowings*and Derivatives

☐ **No information is required to be reported in this Section 5.K.(2) per the instructions of this Section 5.K.(2)**

If your regulatory assets under management attributable to separately managed accounts are at least $10 billion, you should complete Question (a). If your regulatory assets under management attributable to separately managed accounts are at least $500 million but less than $10 billion, you should complete Question (b).

(a) In the table below, provide the following information regarding the separately managed accounts you advise. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise. End of year refers to the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. Mid-year is the date six months before the end of year date.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

In column 3, provide aggregate *gross notional value* of derivatives divided by the aggregate regulatory assets under management of the accounts included in column 1 with respect to each category of derivatives specified in 3(a) through (f).

You may, but are not required to, complete the table with respect to any separately managed account with regulatory assets under management of less than $10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

(i) Mid-Year

Gross Notional Exposure	**(1) Regulatory Assets Under Management**	**(2) *Borrowings***	**(3) Derivative Exposures**					
			(a) *Interest Rate Derivative*	**(b) *Foreign Exchange Derivative***	**(c) *Credit Derivative***	**(d) *Equity Derivative***	**(e) *Commodity Derivative***	**(f) *Other Derivative***
Less than 10%	$	$	%	%	%	%	%	%
10-149%	$	$	%	%	%	%	%	%
150% or more	$	$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(ii) End of Year

Gross Notional Exposure	**(1) Regulatory Assets Under Management**	**(2) *Borrowings***	**(3) Derivative Exposures**					
			(a) *Interest Rate Derivative*	**(b) *Foreign Exchange Derivative***	**(c) *Credit Derivative***	**(d) *Equity Derivative***	**(e) *Commodity Derivative***	**(f) *Other Derivative***
Less than 10%	$	$	%	%	%	%	%	%
10-149%	$	$	%	%	%	%	%	%

2.c

150% or more	$	$	%	%	%	%	%	%

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

(b) In the table below, provide the following information regarding the separately managed accounts you advise as of the date used to calculate your regulatory assets under management for purposes of your *annual updating amendment*. If you are a subadviser to a separately managed account, you should only provide information with respect to the portion of the account that you subadvise.

In column 1, indicate the regulatory assets under management attributable to separately managed accounts associated with each level of gross notional exposure. For purposes of this table, the gross notional exposure of an account is the percentage obtained by dividing (i) the sum of (a) the dollar amount of any *borrowings* and (b) the *gross notional value* of all derivatives, by (ii) the regulatory assets under management of the account.

In column 2, provide the dollar amount of *borrowings* for the accounts included in column 1.

You may, but are not required to, complete the table with respect to any separately managed accounts with regulatory assets under management of less than $10,000,000.

Any regulatory assets under management reported in Item 5.D.(3)(d), (e), and (f) should not be reported below.

Gross Notional Exposure	**(1) Regulatory Assets Under Management**	**(2) *Borrowings***
Less than 10%	$	$
10-149%	$	$
150% or more	$	$

Optional: Use the space below to provide a narrative description of the strategies and/or manner in which *borrowings* and derivatives are used in the management of the separately managed accounts that you advise.

SECTION 5.K.(3) Custodians for Separately Managed Accounts

Complete a separate Schedule D Section 5.K.(3) for each custodian that holds ten percent or more of your aggregate separately managed account regulatory assets under management.

(a) Legal name of custodian:
BNY MELLON

(b) Primary business name of custodian:
BNY MELLON

(c) The location(s) of the custodian's office(s) responsible for *custody* of the assets :

City:	State:	Country:
NEW YORK	New York	United States

	Yes	No
(d) Is the custodian a *related person* of your firm?	○	◉

(e) If the custodian is a broker-dealer, provide its SEC registration number (if any)
-

(f) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

(g) What amount of your regulatory assets under management attributable to separately managed accounts is held at the custodian?
$ 36,913,889

(a) Legal name of custodian:
CHARLES SCHWAB

(b) Primary business name of custodian:
CHARLES SCHWAB

(c) The location(s) of the custodian's office(s) responsible for *custody* of the assets :

City:	State:	Country:
SAN FRANCISCO	California	United States

	Yes	No
(d) Is the custodian a *related person* of your firm?	○	●

(e) If the custodian is a broker-dealer, provide its SEC registration number (if any)

-

(f) If the custodian is not a broker-dealer, or is a broker-dealer but does not have an SEC registration number, provide its *legal entity identifier* (if any)

(g) What amount of your regulatory assets under management attributable to separately managed accounts is held at the custodian?

$ 32,959,559

Item 6 Other Business Activities

In this Item, we request information about your firm's other business activities.

A. You are actively engaged in business as a (check all that apply):

- ☐ (1) broker-dealer (registered or unregistered)
- ☐ (2) registered representative of a broker-dealer
- ☐ (3) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (4) futures commission merchant
- ☐ (5) real estate broker, dealer, or agent
- ☐ (6) insurance broker or agent
- ☐ (7) bank (including a separately identifiable department or division of a bank)
- ☐ (8) trust company
- ☐ (9) registered municipal advisor
- ☐ (10) registered security-based swap dealer
- ☐ (11) major security-based swap participant
- ☐ (12) accountant or accounting firm
- ☐ (13) lawyer or law firm
- ☐ (14) other financial product salesperson (specify):

If you engage in other business using a name that is different from the names reported in Items 1.A. or 1.B.(1), complete Section 6.A. of Schedule D.

		Yes	No
B. (1)	Are you actively engaged in any other business not listed in Item 6.A. (other than giving investment advice)?	○	◉
(2)	If yes, is this other business your primary business?	○	○

If "yes," describe this other business on Section 6.B.(2) of Schedule D, and if you engage in this business under a different name, provide that name.

		Yes	No
(3)	Do you sell products or provide services other than investment advice to your advisory *clients*?	○	◉

If "yes," describe this other business on Section 6.B.(3) of Schedule D, and if you engage in this business under a different name, provide that name.

SECTION 6.A. Names of Your Other Businesses

No Information Filed

SECTION 6.B.(2) Description of Primary Business

Describe your primary business (not your investment advisory business):

If you engage in that business under a different name, provide that name:

SECTION 6.B.(3) Description of Other Products and Services

Describe other products or services you sell to your *client*. You may omit products and services that you listed in Section 6.B.(2) above.

If you engage in that business under a different name, provide that name:

Item 7 Financial Industry Affiliations

In this Item, we request information about your financial industry affiliations and activities. This information identifies areas in which conflicts of interest may occur between you and your *clients*.

A. This part of Item 7 requires you to provide information about you and your *related persons*, including foreign affiliates. Your *related persons* are all of your *advisory affiliates* and any *person* that is under common *control* with you.

You have a *related person* that is a (check all that apply):

- ☐ (1) broker-dealer, municipal securities dealer, or government securities broker or dealer (registered or unregistered)
- ☐ (2) other investment adviser (including financial planners)
- ☐ (3) registered municipal advisor
- ☐ (4) registered security-based swap dealer
- ☐ (5) major security-based swap participant
- ☐ (6) commodity pool operator or commodity trading advisor (whether registered or exempt from registration)
- ☐ (7) futures commission merchant
- ☐ (8) banking or thrift institution
- ☐ (9) trust company
- ☐ (10) accountant or accounting firm
- ☐ (11) lawyer or law firm
- ☐ (12) insurance company or agency
- ☐ (13) pension consultant
- ☐ (14) real estate broker or dealer
- ☐ (15) sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- ☐ (16) sponsor, general partner, managing member (or equivalent) of pooled investment vehicles

Note that Item 7.A. should not be used to disclose that some of your employees perform investment advisory functions or are registered representatives of a broker-dealer. The number of your firm's employees who perform investment advisory functions should be disclosed under Item 5.B.(1). The number of your firm's employees who are registered representatives of a broker-dealer should be disclosed under Item 5.B.(2).

Note that if you are filing an umbrella registration, you should not check Item 7.A.(2) with respect to your relying advisers, and you do not have to complete Section 7.A. in Schedule D for your relying advisers. You should complete a Schedule R for each relying adviser.

For each related person, including foreign affiliates that may not be registered or required to be registered in the United States, complete Section 7.A. of Schedule D.

You do not need to complete Section 7.A. of Schedule D for any related person if: (1) you have no business dealings with the related person in connection with advisory services you provide to your clients; (2) you do not conduct shared operations with the related person; (3) you do not refer clients or business to the related person, and the related person does not refer prospective clients or business to you; (4) you do not share supervised persons or premises with the related person; and (5) you have no reason to believe that your relationship with the related person otherwise creates a conflict of interest with your clients.

You must complete Section 7.A. of Schedule D for each related person acting as qualified custodian in connection with advisory services you provide to your clients (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)), regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.

SECTION 7.A. Financial Industry Affiliations

No Information Filed

Item 7 *Private Fund* Reporting

	Yes	No
B. Are you an adviser to any *private fund*?	○	◉

If "yes," then for each private fund that you advise, you must complete a Section 7.B.(1) of Schedule D, except in certain circumstances described in the next sentence and in Instruction 6 of the Instructions to Part 1A. If you are registered or applying for registration with the SEC or reporting as an SEC exempt reporting adviser, and another SEC-registered adviser or SEC exempt reporting adviser reports this information with respect to any such private fund in Section 7.B.(1) of Schedule D of its Form ADV (e.g., if you are a subadviser), do not complete Section 7.B.(1) of Schedule D with respect to that private fund. You must, instead, complete Section 7.B.(2) of Schedule D.

In either case, if you seek to preserve the anonymity of a private fund client by maintaining its identity in your books and records in numerical or alphabetical code, or similar designation, pursuant to rule 204-2(d), you may identify the private fund in Section 7.B.(1) or 7.B.(2) of Schedule D using the same code or designation in place of the fund's name.

SECTION 7.B.(1) *Private Fund* Reporting

No Information Filed

SECTION 7.B.(2) *Private Fund* Reporting

No Information Filed

Item 8 Participation or Interest in *Client* Transactions

In this Item, we request information about your participation and interest in your *clients*' transactions. This information identifies additional areas in which conflicts of interest may occur between you and your *clients*. Newly-formed advisers should base responses to these questions on the types of participation and interest that you expect to engage in during the next year.

Like Item 7, Item 8 requires you to provide information about you and your *related persons*, including foreign affiliates.

Proprietary Interest in *Client* Transactions

	Yes	No
A. Do you or any *related person*:		
(1) buy securities for yourself from advisory *clients*, or sell securities you own to advisory *clients* (principal transactions)?	○	◉
(2) buy or sell for yourself securities (other than shares of mutual funds) that you also recommend to advisory *clients*?	◉	○
(3) recommend securities (or other investment products) to advisory *clients* in which you or any *related person* has some other proprietary (ownership) interest (other than those mentioned in Items 8.A.(1) or (2))?	○	◉

Sales Interest in *Client* Transactions

	Yes	No
B. Do you or any *related person*:		
(1) as a broker-dealer or registered representative of a broker-dealer, execute securities trades for brokerage customers in which advisory *client* securities are sold to or bought from the brokerage customer (agency cross transactions)?	○	◉
(2) recommend to advisory *clients*, or act as a purchaser representative for advisory *clients* with respect to, the purchase of securities for which you or any *related person* serves as underwriter or general or managing partner?	○	◉
(3) recommend purchase or sale of securities to advisory *clients* for which you or any *related person* has any other sales interest (other than the receipt of sales commissions as a broker or registered representative of a broker-dealer)?	○	◉

Investment or Brokerage Discretion

	Yes	No
C. Do you or any *related person* have *discretionary authority* to determine the:		
(1) securities to be bought or sold for a *client's* account?	◉	○
(2) amount of securities to be bought or sold for a *client's* account?	◉	○
(3) broker or dealer to be used for a purchase or sale of securities for a *client's* account?	○	◉
(4) commission rates to be paid to a broker or dealer for a *client's* securities transactions?	○	◉
D. If you answer "yes" to C.(3) above, are any of the brokers or dealers *related persons*?	○	○
E. Do you or any *related person* recommend brokers or dealers to *clients*?	◉	○
F. If you answer "yes" to E. above, are any of the brokers or dealers *related persons*?	○	◉
G. (1) Do you or any *related person* receive research or other products or services other than execution from a broker-dealer or a third party ("soft dollar benefits") in connection with *client* securities transactions?	○	◉
(2) If "yes" to G.(1) above, are all the "soft dollar benefits" you or any *related persons* receive eligible "research or brokerage services" under section 28(e) of the Securities Exchange Act of 1934?	○	○
H. (1) Do you or any *related person*, directly or indirectly, compensate any *person* that is not an *employee* for *client* referrals?	○	◉
(2) Do you or any *related person*, directly or indirectly, provide any *employee* compensation that is specifically related to obtaining *clients* for the firm (cash or non-cash compensation in addition to the *employee's* regular salary)?	○	◉
I. Do you or any *related person*, including any *employee*, directly or indirectly, receive compensation from any *person* (other than you or any *related person*) for *client* referrals?	○	◉

In your response to Item 8.I., do not include the regular salary you pay to an employee.

In responding to Items 8.H. and 8.I., consider all cash and non-cash compensation that you or a related person gave to (in answering Item 8.H.) or received from (in answering Item 8.I.) any person in exchange for client referrals, including any bonus that is based, at least in part, on the number or amount of client referrals.

Item 9 Custody

In this Item, we ask you whether you or a *related person* has *custody* of *client* (other than *clients* that are investment companies registered under the Investment Company Act of 1940) assets and about your custodial practices.

A. (1) Do you have *custody* of any advisory *clients'*: **Yes No**

(a) cash or bank accounts? (•) Yes ( ) No

(b) securities? (•) Yes ( ) No

If you are registering or registered with the SEC, answer "No" to Item 9.A.(1)(a) and (b) if you have custody solely because (i) you deduct your advisory fees directly from your clients' accounts, or (ii) a related person has custody of client assets in connection with advisory services you provide to clients, but you have overcome the presumption that you are not operationally independent (pursuant to Advisers Act rule 206(4)-2(d)(5)) from the related person.

(2) If you checked "yes" to Item 9.A.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which you have *custody*:

U.S. Dollar Amount	Total Number of *Clients*
(a) $ 37,106,195	(b) 7

If you are registering or registered with the SEC and you have custody solely because you deduct your advisory fees directly from your clients' accounts, do not include the amount of those assets and the number of those clients in your response to Item 9.A.(2). If your related person has custody of client assets in connection with advisory services you provide to clients, do not include the amount of those assets and number of those clients in your response to 9.A.(2). Instead, include that information in your response to Item 9.B.(2).

B. (1) In connection with advisory services you provide to *clients*, do any of your *related persons* have *custody* of any of your advisory *clients'*: **Yes No**

(a) cash or bank accounts? ( ) Yes (•) No

(b) securities? ( ) Yes (•) No

You are required to answer this item regardless of how you answered Item 9.A.(1)(a) or (b).

(2) If you checked "yes" to Item 9.B.(1)(a) or (b), what is the approximate amount of *client* funds and securities and total number of *clients* for which your *related persons* have *custody*:

U.S. Dollar Amount	Total Number of *Clients*
(a) $	(b)

C. If you or your *related persons* have *custody* of *client* funds or securities in connection with advisory services you provide to *clients*, check all the following that apply:

(1) A qualified custodian(s) sends account statements at least quarterly to the investors in the pooled investment vehicle(s) you manage. ☐

(2) An *independent public accountant* audits annually the pooled investment vehicle(s) that you manage and the audited financial statements are distributed to the investors in the pools. ☐

(3) An *independent public accountant* conducts an annual surprise examination of *client* funds and securities. ☑

(4) An *independent public accountant* prepares an internal control report with respect to custodial services when you or your *related persons* are qualified custodians for *client* funds and securities. ☐

If you checked Item 9.C.(2), C.(3) or C.(4), list in Section 9.C. of Schedule D the accountants that are engaged to perform the audit or examination or prepare an internal control report. (If you checked Item 9.C.(2), you do not have to list auditor information in Section 9.C. of Schedule D if you already provided this information with respect to the private funds you advise in Section 7.B.(1) of Schedule D).

D. Do you or your *related person(s)* act as qualified custodians for your *clients* in connection with advisory services you provide to *clients*? **Yes No**

(1) you act as a qualified custodian ( ) Yes (•) No

(2) your *related person(s)* act as qualified custodian(s) ( ) Yes (•) No

If you checked "yes" to Item 9.D.(2), all related persons that act as qualified custodians (other than any mutual fund transfer agent pursuant to rule 206(4)-2(b)(1)) must be identified in Section 7.A. of Schedule D, regardless of whether you have determined the related person to be operationally independent under rule 206(4)-2 of the Advisers Act.

E. If you are filing your *annual updating amendment* and you were subject to a surprise examination by an *independent public accountant* during your last fiscal year, provide the date (MM/YYYY) the examination commenced:
10/2019

F. If you or your *related persons* have *custody* of *client* funds or securities, how many *persons*, including, but not limited to, you and your *related persons,* act as qualified custodians for your *clients* in connection with advisory services you provide to *clients?*
2

SECTION 9.C. *Independent Public Accountant*

You must complete the following information for each *independent public accountant* engaged to perform a surprise examination, perform an audit of a pooled investment vehicle that you manage, or prepare an internal control report. You must complete a separate Schedule D Section 9.C. for each *independent public accountant*.

(1) Name of the *independent public accountant*:
BROWN SMITH WALLACE

(2) The location of the *independent public accountant's* office responsible for the services provided:

Number and Street 1:		Number and Street 2:	
6 CITYPLACE DRIVE		SUITE900	
City:	State:	Country:	ZIP+4/Postal Code:
ST. LOUIS	Missouri	United States	63141

	Yes	No
(3) Is the *independent public accountant* registered with the Public Company Accounting Oversight Board?	●	○

If "yes," Public Company Accounting Oversight Board-Assigned Number:
643

	Yes	No
(4) If "yes" to (3) above, is the *independent public accountant* subject to regular inspection by the Public Company Accounting Oversight Board in accordance with its rules?	●	○

(5) The *independent public accountant* is engaged to:

A. ☐ audit a pooled investment vehicle
B. ☑ perform a surprise examination of *clients'* assets
C. ☐ prepare an internal control report

(6) Since your last *annual updating amendment*, did all of the reports prepared by the *independent public accountant* that audited the pooled investment vehicle or that examined internal controls contain unqualified opinions?

○ Yes
○ No
○ Report Not Yet Received

If you check "Report Not Yet Received", you must promptly file an amendment to your Form ADV to update your response when the accountant's report is available.

Item 10 Control Persons

In this Item, we ask you to identify every *person* that, directly or indirectly, *controls* you. If you are filing an *umbrella registration*, the information in Item 10 should be provided for the *filing adviser* only.

If you are submitting an initial application or report, you must complete Schedule A and Schedule B. Schedule A asks for information about your direct owners and executive officers. Schedule B asks for information about your indirect owners. If this is an amendment and you are updating information you reported on either Schedule A or Schedule B (or both) that you filed with your initial application or report, you must complete Schedule C.

	Yes	No
A. Does any *person* not named in Item 1.A. or Schedules A, B, or C, directly or indirectly, *control* your management or policies?	○	◉

If yes, complete Section 10.A. of Schedule D.

B. If any *person* named in Schedules A, B, or C or in Section 10.A. of Schedule D is a public reporting company under Sections 12 or 15(d) of the Securities Exchange Act of 1934, please complete Section 10.B. of Schedule D.

SECTION 10.A. *Control Persons*

No Information Filed

SECTION 10.B. *Control Person* Public Reporting Companies

No Information Filed

Item 11 Disclosure Information

In this Item, we ask for information about your disciplinary history and the disciplinary history of all your *advisory affiliates*. We use this information to determine whether to grant your application for registration, to decide whether to revoke your registration or to place limitations on your activities as an investment adviser, and to identify potential problem areas to focus on during our on-site examinations. One event may result in "yes" answers to more than one of the questions below. In accordance with General Instruction 5 to Form ADV, "you" and "your" include the *filing adviser* and all *relying advisers* under an *umbrella registration*.

Your *advisory affiliates* are: (1) all of your current *employees* (other than *employees* performing only clerical, administrative, support or similar functions); (2) all of your officers, partners, or directors (or any *person* performing similar functions); and (3) all *persons* directly or indirectly *controlling* you or *controlled* by you. If you are a "separately identifiable department or division" (SID) of a bank, see the Glossary of Terms to determine who your *advisory affiliates* are.

If you are registered or registering with the SEC or if you are an exempt reporting adviser, you may limit your disclosure of any event listed in Item 11 to ten years following the date of the event. If you are registered or registering with a state, you must respond to the questions as posed; you may, therefore, limit your disclosure to ten years following the date of an event only in responding to Items 11.A.(1), 11.A.(2), 11.B.(1), 11.B.(2), 11.D.(4), and 11.H.(1)(a). For purposes of calculating this ten-year period, the date of an event is the date the final order, judgment, or decree was entered, or the date any rights of appeal from preliminary orders, judgments, or decrees lapsed.

You must complete the appropriate Disclosure Reporting Page ("DRP") for "yes" answers to the questions in this Item 11.

Yes No

Do any of the events below involve you or any of your *supervised persons*? ○ ◉

For "yes" answers to the following questions, complete a Criminal Action DRP:

A. In the past ten years, have you or any *advisory affiliate*: **Yes No**

(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to any *felony*? ○ ◉

(2) been *charged* with any *felony*? ○ ◉

If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.A.(2) to charges that are currently pending.

B. In the past ten years, have you or any *advisory affiliate*:

(1) been convicted of or pled guilty or nolo contendere ("no contest") in a domestic, foreign, or military court to a *misdemeanor* involving: investments or an *investment-related* business, or any fraud, false statements, or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses? ○ ◉

(2) been *charged* with a *misdemeanor* listed in Item 11.B.(1)? ○ ◉

If you are registered or registering with the SEC, or if you are reporting as an exempt reporting adviser, you may limit your response to Item 11.B.(2) to charges that are currently pending.

For "yes" answers to the following questions, complete a Regulatory Action DRP:

C. Has the SEC or the Commodity Futures Trading Commission (CFTC) ever: **Yes No**

(1) *found* you or any *advisory affiliate* to have made a false statement or omission? ○ ◉

(2) *found* you or any *advisory affiliate* to have been *involved* in a violation of SEC or CFTC regulations or statutes? ○ ◉

(3) *found* you or any *advisory affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? ○ ◉

(4) entered an *order* against you or any *advisory affiliate* in connection with *investment-related* activity? ○ ◉

(5) imposed a civil money penalty on you or any *advisory affiliate*, or *ordered* you or any *advisory affiliate* to cease and desist from any activity? ○ ◉

D. Has any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority*:

(1) ever *found* you or any *advisory affiliate* to have made a false statement or omission, or been dishonest, unfair, or unethical? ○ ◉

(2) ever *found* you or any *advisory affiliate* to have been *involved* in a violation of *investment-related* regulations or statutes? ○ ◉

(3) ever *found* you or any *advisory affiliate* to have been a cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted? ○ ◉

(4) in the past ten years, entered an *order* against you or any *advisory affiliate* in connection with an *investment-related* activity? ○ ◉

(5) ever denied, suspended, or revoked your or any *advisory affiliate's* registration or license, or otherwise prevented you or any *advisory affiliate*, by *order*, from associating with an *investment-related* business or restricted your or any *advisory affiliate's* activity? ○ ◉

E. Has any *self-regulatory organization* or commodities exchange ever:

(1) *found* you or any *advisory affiliate* to have made a false statement or omission? ○ ◉

		Yes	No
	(2) *found* you or any *advisory affiliate* to have been *involved* in a violation of its rules (other than a violation designated as a "*minor rule violation*" under a plan approved by the SEC)?	○	●
	(3) *found* you or any *advisory affiliate* to have been the cause of an *investment-related* business having its authorization to do business denied, suspended, revoked, or restricted?	○	●
	(4) disciplined you or any *advisory affiliate* by expelling or suspending you or the *advisory affiliate* from membership, barring or suspending you or the *advisory affiliate* from association with other members, or otherwise restricting your or the *advisory affiliate's* activities?	○	●
F.	Has an authorization to act as an attorney, accountant, or federal contractor granted to you or any *advisory affiliate* ever been revoked or suspended?	○	●
G.	Are you or any *advisory affiliate* now the subject of any regulatory *proceeding* that could result in a "yes" answer to any part of Item 11.C., 11.D., or 11.E.?	○	●

For "yes" answers to the following questions, complete a Civil Judicial Action DRP:

		Yes	No
H.	(1) Has any domestic or foreign court:		
	(a) in the past ten years, *enjoined* you or any *advisory affiliate* in connection with any *investment-related* activity?	○	●
	(b) ever *found* that you or any *advisory affiliate* were *involved* in a violation of *investment-related* statutes or regulations?	○	●
	(c) ever dismissed, pursuant to a settlement agreement, an *investment-related* civil action brought against you or any *advisory affiliate* by a state or *foreign financial regulatory authority*?	○	●
	(2) Are you or any *advisory affiliate* now the subject of any civil *proceeding* that could result in a "yes" answer to any part of Item 11.H.(1)?	○	●

Item 12 Small Businesses

The SEC is required by the Regulatory Flexibility Act to consider the effect of its regulations on small entities. In order to do this, we need to determine whether you meet the definition of "small business" or "small organization" under rule 0-7.

Answer this Item 12 only if you are registered or registering with the SEC **and** you indicated in response to Item 5.F.(2)(c) that you have regulatory assets under management of less than $25 million. You are not required to answer this Item 12 if you are filing for initial registration as a state adviser, amending a current state registration, or switching from SEC to state registration.

For purposes of this Item 12 only:

- Total Assets refers to the total assets of a firm, rather than the assets managed on behalf of *clients*. In determining your or another *person's* total assets, you may use the total assets shown on a current balance sheet (but use total assets reported on a consolidated balance sheet with subsidiaries included, if that amount is larger).
- *Control* means the power to direct or cause the direction of the management or policies of a *person*, whether through ownership of securities, by contract, or otherwise. Any *person* that directly or indirectly has the right to vote 25 percent or more of the voting securities, or is entitled to 25 percent or more of the profits, of another *person* is presumed to *control* the other *person*.

		Yes	No
A.	Did you have total assets of $5 million or more on the last day of your most recent fiscal year?	○	○

If "yes," you do not need to answer Items 12.B. and 12.C.

		Yes	No
B.	Do you:		
	(1) *control* another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of $25 million or more on the last day of its most recent fiscal year?	○	○
	(2) *control* another *person* (other than a natural person) that had total assets of $5 million or more on the last day of its most recent fiscal year?	○	○
C.	Are you:		
	(1) *controlled* by or under common *control* with another investment adviser that had regulatory assets under management (calculated in response to Item 5.F.(2)(c) of Form ADV) of $25 million or more on the last day of its most recent fiscal year?	○	○
	(2) *controlled* by or under common *control* with another *person* (other than a natural person) that had total assets of $5 million or more on the last day of its most recent fiscal year?	○	○

Schedule A

Direct Owners and Executive Officers

1. Complete Schedule A only if you are submitting an initial application or report. Schedule A asks for information about your direct owners and executive officers. Use Schedule C to amend this information.
2. Direct Owners and Executive Officers. List below the names of:
   (a) each Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Legal Officer, Chief Compliance Officer(Chief Compliance Officer is required if you are registered or applying for registration and cannot be more than one individual), director, and any other individuals with similar status or functions;
   (b) if you are organized as a corporation, each shareholder that is a direct owner of 5% or more of a class of your voting securities, unless you are a public reporting company (a company subject to Section 12 or 15(d) of the Exchange Act);
   Direct owners include any *person* that owns, beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 5% or more of a class of your voting securities. For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.
   (c) if you are organized as a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 5% or more of your capital;
   (d) in the case of a trust that directly owns 5% or more of a class of your voting securities, or that has the right to receive upon dissolution, or has contributed, 5% or more of your capital, the trust and each trustee; and
   (e) if you are organized as a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 5% or more of your capital, and (ii) if managed by elected managers, all elected managers.
3. Do you have any indirect owners to be reported on Schedule B? ○ Yes ◉ No
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner or executive officer is an individual.
5. Complete the Title or Status column by entering board/management titles; status as partner, trustee, sole proprietor, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are: NA - less than 5% B - 10% but less than 25% D - 50% but less than 75%
   A - 5% but less than 10% C - 25% but less than 50% E - 75% or more
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.
   (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.
   (c) Complete each column.

FULL LEGAL NAME (Individuals: Last Name, First Name, Middle Name)	**DE/FE/I**	**Title or Status**	**Date Title or Status Acquired MM/YYYY**	**Ownership Code**	***Control Person***	**PR**	***CRD* No. If None: S.S. No. and Date of Birth, IRS Tax No. or Employer ID No.**
POMPIAN, MICHAEL, MATTHEW	I	MANAGING PRINCIPAL	01/2016	E	Y	N	1827742
DWYER, JOHN, PATRICK	I	MANAGING DIRECTOR	05/2017	B	N	N	3255772
POMPIAN, ANGELA	I	CHIEF COMPLIANCE OFFICER	01/2018	NA	N	N	6925673

Schedule B

Indirect Owners

1. Complete Schedule B only if you are submitting an initial application or report. Schedule B asks for information about your indirect owners; you must first complete Schedule A, which asks for information about your direct owners. Use Schedule C to amend this information.
2. Indirect Owners. With respect to each owner listed on Schedule A (except individual owners), list below:
   (a) in the case of an owner that is a corporation, each of its shareholders that beneficially owns, has the right to vote, or has the power to sell or direct the sale of, 25% or more of a class of a voting security of that corporation;

   For purposes of this Schedule, a *person* beneficially owns any securities: (i) owned by his/her child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, sharing the same residence; or (ii) that he/she has the right to acquire, within 60 days, through the exercise of any option, warrant, or right to purchase the security.

   (b) in the case of an owner that is a partnership, all general partners and those limited and special partners that have the right to receive upon dissolution, or have contributed, 25% or more of the partnership's capital;

   (c) in the case of an owner that is a trust, the trust and each trustee; and

   (d) in the case of an owner that is a limited liability company ("LLC"), (i) those members that have the right to receive upon dissolution, or have contributed, 25% or more of the LLC's capital, and (ii) if managed by elected managers, all elected managers.
3. Continue up the chain of ownership listing all 25% owners at each level. Once a public reporting company (a company subject to Sections 12 or 15(d) of the Exchange Act) is reached, no further ownership information need be given.
4. In the DE/FE/I column below, enter "DE" if the owner is a domestic entity, "FE" if the owner is an entity incorporated or domiciled in a foreign country, or "I" if the owner is an individual.
5. Complete the Status column by entering the owner's status as partner, trustee, elected manager, shareholder, or member; and for shareholders or members, the class of securities owned (if more than one is issued).
6. Ownership codes are: C - 25% but less than 50% E - 75% or more
   D - 50% but less than 75% F - Other (general partner, trustee, or elected manager)
7. (a) In the *Control Person* column, enter "Yes" if the *person* has *control* as defined in the Glossary of Terms to Form ADV, and enter "No" if the *person* does not have *control*. Note that under this definition, most executive officers and all 25% owners, general partners, elected managers, and trustees are *control persons*.

   (b) In the PR column, enter "PR" if the owner is a public reporting company under Sections 12 or 15(d) of the Exchange Act.

   (c) Complete each column.

No Information Filed

Schedule D - Miscellaneous

You may use the space below to explain a response to an Item or to provide any other information.

Schedule R

No Information Filed

2.c

DRP Pages

CRIMINAL DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

REGULATORY ACTION DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

CIVIL JUDICIAL ACTION DISCLOSURE REPORTING PAGE (ADV)

No Information Filed

Arbitration DRPs

No Information Filed

Bond DRPs

No Information Filed

Judgment/Lien DRPs

No Information Filed

Part 1B Item 1 - State Registration

You must complete this Part 1B only if you are applying for registration, or are registered, as an investment adviser with any of the *state securities authorities*.

Complete this Item 1 if you are submitting an initial application for state registration or requesting additional state registration(s). Check the boxes next to the states to which you are submitting this application. If you are already registered with at least one state and are applying for registration with an additional state or states, check the boxes next to the states in which you are applying for registration. Do not check the boxes next to the states in which you are currently registered or where you have an application for registration pending.

Jurisdictions

☐ AL	☐ IL	☐ NE	☐ SC
☐ AK	☐ IN	☐ NV	☐ SD
☐ AZ	☐ IA	☐ NH	☐ TN
☐ AR	☐ KS	☐ NJ	☑ TX
☐ CA	☐ KY	☐ NM	☐ UT
☐ CO	☐ LA	☐ NY	☐ VT
☐ CT	☐ ME	☐ NC	☐ VI
☐ DE	☐ MD	☐ ND	☑ VA
☐ DC	☐ MA	☐ OH	☐ WA
☑ FL	☑ MI	☐ OK	☐ WV
☐ GA	☐ MN	☐ OR	☐ WI
☐ GU	☐ MS	☑ PA	☐ WY
☐ HI	☑ MO	☐ PR	
☐ ID	☐ MT	☐ RI	

Part 1B Item 2 - Additional Information

Complete this Item 2A. only if the person responsible for supervision and compliance does not appear in Item 1J. or 1K. of Form ADV Part 1A:

A. Person responsible for supervision and compliance:

Name:	Title:
ANGELA POMPIAN	CHIEF COMPLIANCE OFFICER
Telephone:	Fax:
314 954 9271	

Number and Street 1:		Number and Street 2:	
7751 CARONDELET AVENUE		SUITE 702	
City:	State:	Country:	ZIP+4/Postal Code:
ST. LOUIS	Missouri	United States	63105

Email address, if available:

ANGELA@SUNPOINTEINVESTMENTS.COM

If this address is a private residence, check this box: ☐

B. Bond/Capital Information, if required by your *home state*

(1) Name of Issuing Insurance Company:

(2) Amount of Bond:

$ .00

(3) Bond Policy Number:

	Yes	No
(4) If required by your home state, are you in compliance with your home state's minimum capital requirements?	◉	○

Part 1B - Disclosure Questions

BOND DISCLOSURE

For "yes" answers to the following question, complete a Bond DRP.

	Yes	No
C. Has a bonding company ever denied, paid out on, or revoked a bond for you, any *advisory affiliate*, or any *management person*?	○	◉

JUDGMENT/LIEN DISCLOSURE

For "yes" answers to the following question, complete a Judgment/Lien DRP.

	Yes	No
D. Are there any unsatisfied judgments or liens against you, any *advisory affiliate*, or any *management person*?	○	◉

ARBITRATION DISCLOSURE

For "yes" answers to the following questions, complete an Arbitration DRP.

E. Are you, any *advisory affiliate*, or any *management person* currently the subject of, or have you, any *advisory affiliate*, or any *management person* been the subject of, an arbitration claim alleging damages in excess of $2,500, involving any of the following:

	Yes	No
(1) any investment or an *investment-related* business or activity?	○	◉
(2) fraud, false statement, or omission?	○	◉
(3) theft, embezzlement, or other wrongful taking of property?	○	◉
(4) bribery, forgery, counterfeiting, or extortion?	○	◉
(5) dishonest, unfair, or unethical practices?	○	◉

CIVIL JUDICIAL DISCLOSURE

For "yes" answers to the following questions, complete a Civil Judicial Action DRP.

F. Are you, any *advisory affiliate*, or any *management person* currently subject to, or have you, any *advisory affiliate*, or any *management person* been *found* liable in, a civil, *self-regulatory organization*, or administrative *proceeding* involving any of the following:

	Yes	No
(1) an investment or *investment-related* business or activity?	○	◉
(2) fraud, false statement, or omission?	○	◉
(3) theft, embezzlement, or other wrongful taking of property?	○	◉
(4) bribery, forgery, counterfeiting, or extortion?	○	◉
(5) dishonest, unfair, or unethical practices?	○	◉

Part 1B - Business Information

G. Other Business Activities

(1) Are you, any *advisory affiliate*, or any *management person* actively engaged in business as a(n) (check all that apply):

- ☐ Tax Preparer
- ☐ Issuer of securities
- ☐ Sponsor or syndicator of limited partnerships (or equivalent), excluding pooled investment vehicles
- ☐ Sponsor, general partner, managing member (or equivalent) of pooled investment vehicles
- ☐ Real estate adviser

(2) If you, any *advisory affiliate*, or any *management person* are actively engaged in any business other than those listed in Item 6.A of Part 1A or Item 2.G(1) of Part 1B, describe the business and the approximate amount of time spent on that business:

2.c

H. If you provide financial planning services, the investments made based on those services at the end of your last fiscal year totaled:

	Securities Investments	Non-Securities Investments
Under $100,000	○	◉
$100,001 to $500,000	○	○
$500,001 to $1,000,000	○	○
$1,000,001 to $2,500,000	○	○
$2,500,001 to $5,000,000	○	○
More than $5,000,000	◉	○

If securities investments are over $5,000,000, how much? 1895065716 (round to the nearest $1,000,000)

If non-securities investments are over $5,000,000, how much? (round to the nearest $1,000,000)

		Yes	No
I.	*Custody*		
	(1) Advisory Fees		
	Do you withdraw advisory fees directly from your *clients'* accounts? If you answered "yes", respond to the following:	◉	○
	(a) Do you send a copy of your invoice to the custodian or trustee at the same time that you send a copy to the *client*?	◉	○
	(b) Does the custodian send quarterly statements to your *clients* showing all disbursements for the custodian account, including the amount of the advisory fees?	◉	○
	(c) Do your *clients* provide written authorization permitting you to be paid directly for their accounts held by the custodian or trustee?	◉	○
	(2) Pooled Investment Vehicles and Trusts		
	(a) (i) Do you or a *related person* act as a general partner, managing member, or person serving in a similar capacity, for any pooled investment vehicle for which you are the adviser to the pooled investment vehicle, or for which you are the adviser to one or more of the investors in the pooled investment vehicle? If you answered "yes", respond to the following:	○	◉
	(a) (ii) As the general partner, managing member, or person serving in a similar capacity, have you or a *related person* engaged any of the following to provide authority permitting each direct payment or any transfer of funds or securities from the account of the pooled investment vehicle?		
	Attorney	○	○
	Independent certified public accountant	○	○
	Other independent party	○	○
	Describe the independent party:		

For purposes of this Item 2I.2(a), "Independent party" means a person that: (A) is engaged by the investment adviser to act as a gatekeeper for the payment of fees, expenses and capital withdrawals from the pooled investment; (B) does not control and is not controlled by and is not under common control with the investment adviser; (C) does not have, and has not had within the past two years, a material business relationship with the investment adviser; and (D) shall not negotiate or agree to have material business relations or commonly controlled relations with an investment adviser for a period of two years after serving as the person engaged in an independent party agreement.

		Yes	No
	(b) Do you or a *related person* act as investment adviser and a trustee for any trust, or act as a trustee for any trust in which your advisory clients are beneficiaries of the trust?	◉	○
	(3) Do you require the prepayment of fees of more than $500 per *client* and for six months or more in advance?	○	◉
J.	If you are organized as a sole proprietorship, please answer the following:		
	(1) (a) Have you passed, on or after January 1, 2000, the Series 65 examination?	○	○
	(b) Have you passed, on or after January 1, 2000, the Series 66 examination and also passed, at any time, the Series 7 examination?	○	○
	(2) (a) Do you have any investment advisory professional designations?	○	○

If "no",you do not need to answer Item 2.J(2)(b).

(b) I have earned and I am in good standing with the organization that issued the following credential:

- ☐ Certified Financial Planner ("CFP")
- ☐ Chartered Financial Analyst ("CFA")
- ☐ Chartered Financial Consultant ("ChFC")
- ☐ Chartered Investment Counselor ("CIC")
- ☐ Personal Financial Specialist ("PFS")
- ☐ None of the above

(3) Your Social Security Number:

K. If you are organized other than as a sole proprietorship, please provide the following:

(1) Indicate the date you obtained your legal status. Date of formation: 12/18/2015

(2) Indicate your IRS Empl. Ident. No.: 811643948

Part 2

Amend, retire or file new brochures:

Brochure ID	Brochure Name	Brochure Type(s)
297885	POMPIAN FORM ADV PART 2B	The document is a Brochure Supplement for one or more supervised persons (state-registered advisers only)
297886	DWYER FORM ADV PART 2B	The document is a Brochure Supplement for one or more supervised persons (state-registered advisers only)
297887	FORM ADV PART 2A	Individuals, High net worth individuals, Foundations/charities, Financial Planning Services, Selection of Other Advisers/Solicitors
297888	WANGLER FORM ADV PART 2B	The document is a Brochure Supplement for one or more supervised persons (state-registered advisers only)
305698	BUDAK FORM ADV PART 2B	The document is a Brochure Supplement for one or more supervised persons (state-registered advisers only)
306568	GREEN FORM ADV PART 2B	The document is a Brochure Supplement for one or more supervised persons (state-registered advisers only)
306857	HAMMOND FORM ADV PART 2B	The document is a Brochure Supplement for one or more supervised persons (state-registered advisers only)
323326	A. POMPIAN BROCHURE	The document is a Brochure Supplement for one or more supervised persons (state-registered advisers only)

Execution Pages

DOMESTIC INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the Secretary of State or other legally designated officer, of the state in which you maintain your *principal office and place of business* and any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such *persons* may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are submitting a *notice filing*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature: MICHAEL POMPIAN	Date: MM/DD/YYYY 03/02/2020
Printed Name: MICHAEL POMPIAN	Title: FOUNDER, CHIEF INVESTMENT OFFICER
Adviser *CRD* Number: 282505	

***NON-RESIDENT* INVESTMENT ADVISER EXECUTION PAGE**

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial submission of Form ADV to the SEC and all amendments.

1. Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint each of the Secretary of the SEC, and the Secretary of State or other legally designated officer, of any other state in which you are submitting a *notice filing*, as your agents to receive service, and agree that such persons may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding* or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is *founded*, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of any state in which you are submitting a *notice filing*.

2. Appointment and Consent: Effect on Partnerships

If you are organized as a partnership, this irrevocable power of attorney and consent to service of process will continue in effect if any partner withdraws from or is admitted to the partnership, provided that the admission or withdrawal does not create a new partnership. If the partnership dissolves, this irrevocable power of attorney and consent shall be in effect for any action brought against you or any of your former partners.

3. *Non-Resident* Investment Adviser Undertaking Regarding Books and Records

By signing this Form ADV, you also agree to provide, at your own expense, to the U.S. Securities and Exchange Commission at its principal office in Washington D.C., at any Regional or District Office of the Commission, or at any one of its offices in the United States, as specified by the Commission, correct, current, and complete copies of any or all records that you are required to maintain under Rule 204-2 under the Investment Advisers Act of 1940. This undertaking shall be binding upon you, your heirs, successors and assigns, and any *person* subject to your written irrevocable consents or powers of attorney or any of your general partners and *managing agents*.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the *non-resident* investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Signature:	Date: MM/DD/YYYY
Printed Name:	Title:
Adviser *CRD* Number: 282505	

STATE-REGISTERED INVESTMENT ADVISER EXECUTION PAGE

You must complete the following Execution Page to Form ADV. This execution page must be signed and attached to your initial application for state registration and all amendments to registration.

1. Appointment of Agent for Service of Process

By signing this Form ADV Execution Page, you, the undersigned adviser, irrevocably appoint the legally designated officers and their successors, of the state in which you maintain your *principal office and place of business* and any other state in which you are applying for registration or amending your registration, as your agents to receive service, and agree that such persons may accept service on your behalf, of any notice, subpoena, summons, *order* instituting *proceedings*, demand for arbitration, or other process or papers, and you further agree that such service may be made by registered or certified mail, in any federal or state action, administrative *proceeding* or arbitration brought against you in any place subject to the jurisdiction of the United States, if the action, *proceeding*, or arbitration (a) arises out of any activity in connection with your investment advisory business that is subject to the jurisdiction of the United States, and (b) is founded, directly or indirectly, upon the provisions of: (i) the Securities Act of 1933, the Securities Exchange Act of 1934, the Trust Indenture Act of 1939, the Investment Company Act of 1940, or the Investment Advisers Act of 1940, or any rule or regulation under any of these acts, or (ii) the laws of the state in which you maintain your *principal office and place of business* or of any state in which you are applying for registration or amending your registration.

2. State-Registered Investment Adviser Affidavit

If you are subject to state regulation, by signing this Form ADV, you represent that, you are in compliance with the registration requirements of the state in which you maintain your principal place of business and are in compliance with the bonding, capital, and recordkeeping requirements of that state.

Signature

I, the undersigned, sign this Form ADV on behalf of, and with the authority of, the investment adviser. The investment adviser and I both certify, under penalty of perjury under the laws of the United States of America, that the information and statements made in this ADV, including exhibits and any other information submitted, are true and correct, and that I am signing this Form ADV Execution Page as a free and voluntary act.

I certify that the adviser's books and records will be preserved and available for inspection as required by law. Finally, I authorize any *person* having *custody* or possession of these books and records to make them available to federal and state regulatory representatives.

Date: MM/DD/YYYY 03/02/2020	Printed Name: MICHAEL POMPIAN
Adviser *CRD* Number: 282505	
Signature: MICHAEL POMPIAN	Title: FOUNDER, CHIEF INVESTMENT OFFICER

Appendix III:

Risk Profiling Through a Behavioral Finance Lens

Research
Foundation
Briefs

RISK PROFILING THROUGH A BEHAVIORAL FINANCE LENS

- Behavioral finance attempts to understand and explain actual investor behavior rather than theorize about investor behavior.
- In the behavioral context, tensions exist between the *willingness* to take risk (risk appetite) and the *ability* to take risk (risk capacity) as they are defined in terms of known and unknown risks.
- Advisers can use behavioral investor types to help make rapid yet insightful assessments of what type of investor they are dealing with before recommending an investment plan.
- With a better understanding of behavioral finance vis-à-vis risk taking, practitioners can enhance their understanding of client preferences and develop better-informed recommendations of investment strategies and products.

Michael Pompian, CFA

CFA Institute
Research
Foundation

CELEBRATING 50 YEARS OF RESEARCH

RISK PROFILING THROUGH A BEHAVIORAL FINANCE LENS

Michael Pompian, CFA

CFA Institute
Research
Foundation

Statement of Purpose

The CFA Institute Research Foundation is a not-for-profit organization established to promote the development and dissemination of relevant research for investment practitioners worldwide.

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CE Qualified Activity CFA Institute

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Risk Profiling through a Behavioral Finance Lens

Michael Pompian, CFA
Mercer
St. Louis, MO

SUMMARY

In the first piece in this series, "Investor Risk Profiling: An Overview," Joachim Klement set forth the challenges that traditional risk tolerance questionnaires present to advisers and their clients. He showed that the current standard process of risk profiling through questionnaires is highly unreliable and typically explains less than 15% of the variation in risky assets between investors. Klement explained that the cause of these deficiencies is primarily the design of the questionnaires, which focus on socioeconomic variables and hypothetical scenarios to elicit the investor's behavior. In contrast, research in risk profiling has shown that several other factors can provide more accurate and reliable insight into the risk profiles of investors.

Among these factors are (1) the investor's lifetime financial experiences (including the most recent period's return and volatility of markets), (2) the investor's past financial decisions, and (3) the influence of family, friends, and advisers. An additional factor, which is the subject of this article, is the psychological temperament of the individual investor; thus, risk tolerance is viewed through a behavioral finance lens in the article. With a better understanding of behavioral finance vis-à-vis risk taking, practitioners can enhance their understanding of client preferences and better inform their recommendations of investment strategies and products.

INTRODUCTION

We have seen a powerful recovery in asset prices in the wake of the global financial crisis (GFC). Lest we forget, however, more than $15 trillion in asset values evaporated in 2008–2009, wiping out gains earned in the bull markets of the 1990s and early 2000s. Clients were shell shocked, often frozen like deer in the headlights as to what to do. And just as history has shown, markets are cyclical and another bear market will occur again—it is just a matter of time. When times are good, as they have been for the past seven years, our skills as financial professionals can get dull because we have not had to deal with panicky, stressed-out clients. But it is crucial to "stay on top of our game" and keep our skills sharp. That is what this article is all about—staying sharp and doing the best possible job for our clients by incorporating behavioral finance into our practice. I have been doing so for over 15 years, and it has paid large dividends for me.

Understanding how investors make investment decisions is no longer a "nice-to-have" skill. In this new era of volatile markets, financial advisers must be able to diagnose irrational behaviors and advise their clients accordingly. Do you have trouble believing that? Consider that many top advisers across the globe are already applying behavioral finance to their practice. A number of years ago, I surveyed 290 sophisticated financial advisers[1] in 30 countries to ask them about their interest in and use of behavioral finance with respect to their clients: 93% of advisers surveyed reported that they were aware of key behavioral finance biases, and 94% were using behavioral finance principles with their clients. Some less experienced and quantitatively oriented advisers, however, are needlessly struggling with understanding their clients' behavior. Assessing risk tolerance is not just the client's job; it is also the adviser's job to interpret behavior and make adjustments accordingly. This article provides information that you, as an adviser, can use to help clients through the tricky business of managing their behavior to maximize the chances of attaining their long-term financial goals.

BEHAVIORAL FINANCE

Behavioral finance attempts to understand and explain *actual* investor behavior, in contrast to theorizing about investor behavior. It differs from traditional (or standard) finance, which is based on assumptions of how investors and markets *should* behave. Behavioral finance is about understanding how people make decisions, both individually and collectively. By understanding how investors and markets behave, it may be possible to modify or adapt to these behaviors in order to improve economic outcomes.

In other words, the way investors think and feel affects the way they behave when making investment decisions. Some of these behaviors are unconsciously influenced by past experiences and personal beliefs to the extent that even intelligent investors can deviate from logic and reason. These influences, which can be categorized and identified as behavioral biases, can affect the way risk is perceived and how risk is interpreted by someone trying to understand a person's risk tolerance. Later in this piece, I provide a framework that connects behavioral finance and risk tolerance; but before I do, I am going to provide an

[1]In order to be "eligible" to receive a survey invitation, advisers needed to have some kind of advanced professional or academic designation—an MBA, the CPA credential, the CFA designation, the CFP certification, or other significant professional accomplishment.

overview of how I classify biases. This overview is very important because the characterization of each bias is critical to understanding *how* to deal with it in practice.

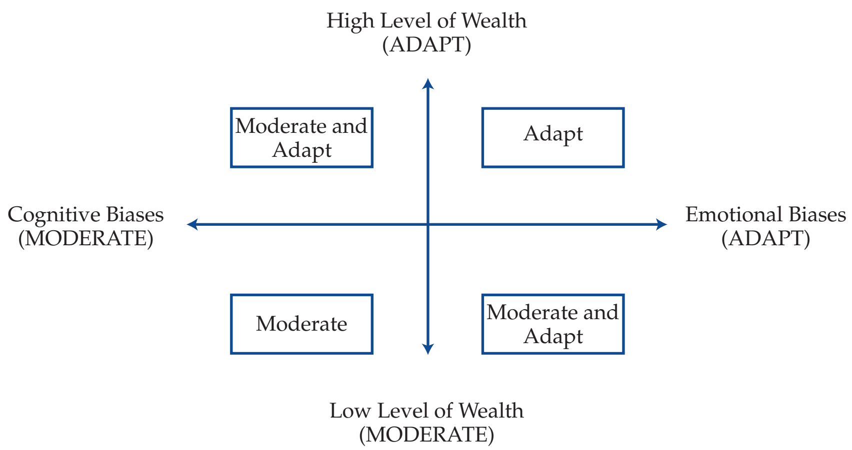
In the first edition of my book *Behavioral Finance and Wealth Management*, I introduced a way of categorizing biases. The broadest category breakdown of biases is *cognitive* and *emotional*. Cognitive biases have to do with how people *think*. Emotional biases have to do with how people *feel*. In other words, cognitive errors result from memory and information-processing errors—that is, faulty reasoning. In contrast, emotional biases are the result of reasoning that is influenced by feelings. This distinction is critical. There are two types of cognitive biases: *belief perseverance* and *information-processing biases*. Belief perseverance biases concern people who have a hard time modifying their beliefs even when faced with information to the contrary. It is a very human reaction to feel mentally uncomfortable when new information contradicts information you hold to be true. For example, for decades many people have been under the false impression that eating sugar produces hyperactivity in children. Twenty years ago, several studies examined the effects of sugar on children's behavior. An analysis of the results of all these studies was published in the 22 November 1995 issue of the *Journal of the American Medical Association.* The researchers concluded that sugar in the diet does not affect children's behavior, but a very large number of people continue to believe that it does—an example of belief perseverance. Related biases include cognitive dissonance, conservatism, confirmation, representativeness, illusion of control, and hindsight.

Information-processing biases concern people who make errors in their thinking when processing information related to a financial decision. The simplest example is anchoring, in which people tend to estimate on the basis of an initial default number. If I asked you to estimate the population of Canada and remarked that I did not know whether it was higher or lower than 30 million, you would probably "anchor" your estimate around that number and adjust from there rather than make an independent estimate. Information-processing biases include anchoring and adjustment, mental accounting, framing, availability, self-attribution, outcome, and recency.

Emotional biases are based on feelings rather than facts. Emotions often overpower our thinking during times of stress. All of us have likely made irrational decisions in the course of our lives. Emotional biases include loss aversion, overconfidence, self-control, status quo, endowment, regret aversion, and affinity.

The distinction between cognitive and emotional biases is very important when assessing risk tolerance. With emotional biases, advisers often need to *adapt* to these client behaviors. It is hard to change the way people feel. With cognitive biases, however, we advisers have an opportunity to modify or change our clients' thinking—that is, to *moderate* clients' behaviors. About 15 years ago, I created a simple framework for applying behavioral finance in practice. This concept of identifying the various types of biases and indicating how an adviser can help clients overcome these biases can help *you* solve many of the most vexing challenges of client relationship management. To complete the thought, I also included level of wealth in this original concept. When you combine the two concepts, you have the diagram in **Figure 1**.

FIGURE 1. TYPE OF BIAS AND LEVEL OF WEALTH



Later in the article, I connect these concepts to an overarching discussion about risk tolerance and how behavioral finance is inextricably linked to the risk tolerance discussion with clients. First, however, we need to define *risk*—not an easy thing to do, but the next section is a step in the right direction.

DEFINING RISK

Before we discuss assessing risk tolerance through a behavioral finance lens—which will involve looking at risk from the perspective of behavioral biases and ultimately investor types—we must first agree on what we mean by the term risk. Much has been written about the tension that exists between the *willingness* to take risk and the *ability* to take risk. For purposes of this article, *risk appetite* means the willingness to take risk and *risk capacity* means the ability to take risk. In the behavioral context, we need to further define risk appetite and risk capacity in terms of *known risks* and *unknown risks*. The reason is that, in general, when clients can at least understand and measure risks they are taking (i.e., *known* risks), they can accept the results. When the risks they believe they accepted include outcomes that are outside the bounds of what they expect or can reasonably understand (i.e., *unknown* risks), behavioral problems often begin. I delve into that subject in the next section; first, we need to further discuss the terms risk appetite and risk capacity.

Risk appetite is the amount of risk that one is willing to take in pursuit of reward. Risk appetite varies according to expected return; it may be expressed qualitatively and/or quantitatively. Investors with a high risk appetite focus on the potential for significant gains and are willing to accept higher possibility or severity of loss. Conversely, investors with a low risk appetite are risk averse and focus on stability and preservation of capital. Risk capacity can be thought of as the ability to absorb losses without having one's financial goals jeopardized.

The level of both risk appetite and risk capacity varies by individual; obviously, investors should not define their risk appetite without considering their risk capacity, but sometimes they do. In the end, risk capacity is the amount of risk a person can actually bear. On the one hand, an investor may have a high risk appetite but not have enough capacity to handle a risk's potential volatility or impact. On the other hand, risk capacity may be high but the investor, given his desire for risk reduction, may decide to adopt a lower risk appetite. Advisers can get a handle on these issues with their clients relatively easily when risks can be understood and measured—known risk. Risk has another dimension, however, that is not so easily measured and is often associated with irrational investor behavior—unknown risk. These two dimensions of risk are the subject of the next section.

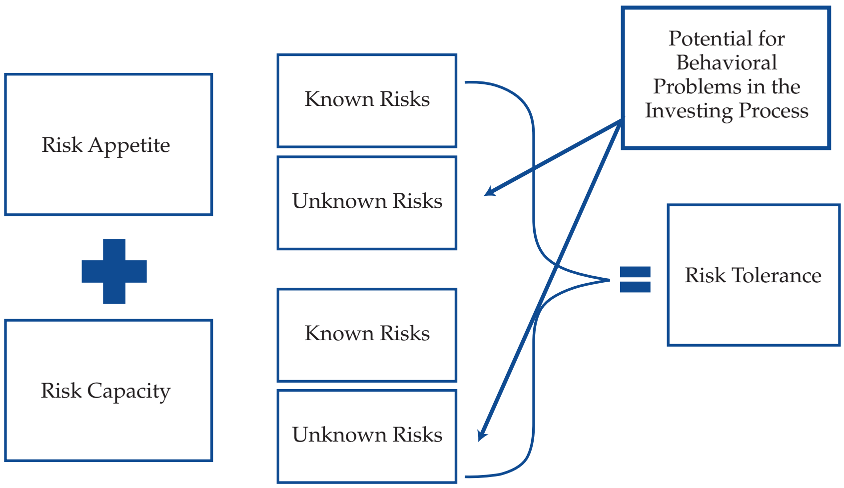
KNOWN AND UNKNOWN RISK

Beyond risk appetite and risk capacity lies another important frontier of risk that affects clients' behavior dramatically: known risk and unknown risk—that is, those risks that can be reasonably modeled and understood and those that cannot. One of my favorite quotes of all time is by Donald Rumsfeld, US secretary of defense under President George W. Bush, who said, "There are known knowns. These are things we know that we know. There are known unknowns. That is to say, there are things that we know we do not know. But there are also unknown unknowns. There are things we don't know we don't know."

Often, people communicate that they have a certain risk appetite and risk capacity. But do the adviser and the client agree on what is meant by *risk*? How much known risk and how much unknown risk can the client handle? Known risk is what we might call "normal risk"—risk we can comprehend easily and quantify using historical data from observations of financial markets. And then there is unknown risk, or "abnormal risk," that occurs once every 10 or 20 years and falls outside expectations. We can think of normal risk as one or two standard deviations from the normal. We can think of unknown risk as three or more standard deviations from the normal. Although severe bear markets and crashes occur from time to time, it is probably best to think of 2008–2009 as an unknown or abnormal risk. At that time, the actual portfolio return fell outside the expected range of most models based on a normal distribution of returns.

When a decision is made on how much risk to take (risk appetite) or a measurement is taken of how much loss can be tolerated without jeopardizing financial goals (risk capacity), unknown risk can cause investors to behave irrationally. People must consider their likely reaction to known risk, and especially unknown risk, to get a complete picture of their risk tolerance. Combining all these concepts, we arrive at the equation for risk tolerance shown in **Figure 2**. Although beyond the scope of this article, risk tolerance questionnaires should attempt to elicit responses that identify how much known and unknown risk an investor can bear in *both* categories—risk appetite and risk capacity.

FIGURE 2. EQUATION FOR RISK TOLERANCE



RISK TOLERANCE AND BEHAVIORAL FINANCE

Those of you who have taken the CFA exam recently or have read my books and articles over the years may be familiar with the concept of behavioral investor types (BITs). Identifying BITs through a process I developed called Behavioral Alpha® (BA) enhances the advisory process and allows advisers to work more effectively with their clients. Although I am unable to review the entire BA process in this piece, I do review key elements of the process relating to risk tolerance. The BA approach is a multi-step diagnostic process that classifies clients as one of four investor types. Bias identification, which is done near the end of the process after the assessment of risk tolerance, is narrowed down by giving the adviser clues as to which biases a client is likely to have based on the client's risk tolerance.

BITs were designed to help advisers make rapid yet insightful assessments of what type of investor they are dealing with before recommending an investment plan. The benefit of ascertaining investor type at the outset of a relationship is an adviser can mitigate client behavioral surprises that might otherwise dispose a client to change his or her portfolio as a result of market turmoil. If an adviser can limit the number of traumatic episodes that inevitably occur throughout the advisory process by delivering smoother (or closer-to-expected) investment results—because the adviser tailored an investment plan to the client's behavioral makeup—a stronger client relationship is the result. For purposes of this piece, each BIT is characterized by a certain risk tolerance level and a primary type of bias—either cognitive (driven by faulty reasoning) or emotional (driven by impulses and/or feelings).

One of the most important concepts advisers should keep in mind is that the least risk-tolerant investors and the most risk-tolerant investors are driven by *emotional* biases, whereas the two types in between these two extremes are mainly affected by *cognitive* biases. To more fully appreciate how this happens and why, you may want to read my book *Behavioral Finance and Investor Types*. The key advisory concept, however, is that emotional clients tend to be more difficult to work with. Advisers who can recognize the type of client they are dealing with prior to making investment recommendations will be much better prepared to deal with irrational behavior when it arises. **Exhibit 1** summarizes each BIT's characteristics and behavioral biases.

GUIDELINES FOR PRACTITIONERS

As discussed in the last section, the least risk-tolerant BIT clients and the most risk-tolerant BIT clients are *emotionally* biased in their behavior. In the middle of the risk scale are BITs who are affected mainly by *cognitive* biases. This dynamic should make intuitive sense. Emotion drives the behavior of clients who have a high need for security (i.e., a low risk tolerance); they get emotional about losing money and are uneasy during times of stress or change. Similarly, highly aggressive investors are also emotionally driven people, who typically suffer from a high level of overconfidence and mistakenly believe they can control the outcomes of their investments. In between these two extremes are the investors who suffer mainly from cognitive biases and can benefit

EXHIBIT 1. RISK TOLERANCE AND TYPES OF BIASES

	Conservative BIT	Moderate BIT	Growth BIT	Aggressive BIT
Risk tolerance	Low	Medium	High	Very high
Bias types	Primarily emotional	Primarily cognitive	Primarily cognitive	Primarily emotional
Biases	Endowment	Regret	Conservatism	Overconfidence
	Loss aversion	Hindsight	Availability	Self-control
	Status quo	Framing	Confirmation	Affinity
	Anchoring	Cognitive dissonance	Representativeness	Illusion of control
	Mental accounting	Recency	Self-attribution	Outcome

from education and information about their biases by making better investment decisions. With aggressive clients, the best approach is to deal with their biases head-on and discuss how their investment decisions will affect such emotional issues as family members, their legacy, and their standard of living.

Clients who are emotional about their investing need to be advised differently from those who make mainly cognitive errors. When advising emotionally driven investors, advisers need to focus on how an investment program can affect important emotional issues like financial security, retirement, and the impact on future generations rather than focusing on portfolio details like standard deviations and Sharpe ratios. A quantitative approach is more effective with clients who are less emotional and tend to make cognitive errors. The goal is to build better long-term relationships with clients; BITs are designed to help in this effort. In the following subsections, I review four basic investor types: *conservative, moderate, growth,* and *aggressive*. The review includes the biases that are likely to be present with each type of client and some thoughts on how to advise each type of client.

CONSERVATIVE INVESTORS

CONSERVATIVE INVESTORS

Risk tolerance level: Low

Behavioral bias orientation: Emotional

BIT description: Conservative investors (CIs) place great emphasis on financial security and preserving wealth. Many have gained wealth through inheritance or by not risking their capital to build wealth (e.g., by working in a large company). Because they tend to be risk averse, CIs may be worriers; they obsess over short-term performance and are slow to make investment decisions because they are uncomfortable with change and uncertainty. This behavior is consistent with their approach to their professional lives—they are careful not to take excessive risks. Many CIs focus on taking care of family members and future generations, especially by funding such life-enhancing experiences as education and homeownership.

The biases of CIs tend to be emotional—endowment bias, loss aversion, and status quo—but CIs also exhibit anchoring and mental accounting, both of which also have cognitive aspects.

Loss Aversion Bias

Bias type: Emotional

Conservative investors tend to feel the pain of losses more than the pleasure of gains compared with other client types. Thus, these clients may hold only losing investments too long, even when they see no prospect of a turnaround. Loss aversion is a very common bias and is seen by large numbers of financial advisers.

Status Quo Bias

Bias type: Emotional

Conservative investors often like to keep their investments (and other parts of their life, for that matter) the same—that is, they maintain the status quo. These investors tell themselves that “things have always been this way” and thus feel safe keeping things the same.

Endowment Bias

Bias type: Emotional

Conservative investors, especially those who inherit wealth, tend to assign a greater value to an investment they already own (such as a piece of real estate or an inherited stock position) than to one they neither possess nor have the potential to acquire.

Anchoring Bias

Bias type: Cognitive/Emotional

Conservative investors are often influenced by purchase points or arbitrary price levels and tend to cling to such numbers when facing questions like, “Should I buy or sell this investment?” Suppose that the stock falls to $75 a share from a high of $100 five months ago. Frequently, a conservative client will resist selling until the price rebounds to at least $100/share.

Mental Accounting Bias

Bias type: Emotional/Cognitive

Conservative clients often treat various sums of money differently on the basis of where the sums are mentally categorized. For example, these investors segregate their assets into safe and risky “buckets.” Although this behavior is usually not harmful, returns will almost certainly be suboptimal if all the assets are viewed as safe money.

Advice for Conservative Investors

After reviewing this subsection, readers might correctly conclude that CIs are difficult to advise because they are driven mainly by emotion. Although this conclusion is true, CIs are also greatly in need of good financial advice. Advisers should take the time to interpret the behavioral signs provided by CI clients. CIs need “big-picture” advice, and advisers should not dwell on such details as standard deviations and Sharpe ratios or else they will lose the client’s attention. CIs need to understand how the portfolio they choose to create will deliver the desired results concerning such emotional issues as family members and future generations. Once they feel comfortable discussing these important emotional issues with their adviser and a bond of trust is established, they will take action. After a while, CIs are likely to become an adviser’s best clients because they value greatly the adviser’s professionalism, expertise, and objectivity in helping make the right investment decisions. In addition, CIs can usually benefit from the added risk that a competent adviser persuades them to take so long as the adviser carefully monitors the risk and does not allow it to become too large.

MODERATE INVESTORS

MODERATE INVESTORS

Risk tolerance level: Moderate

Behavioral bias orientation: Cognitive

BIT description: Moderate investors (MIs) often do not have their own ideas about investing but instead follow the lead of their friends and colleagues in making investment decisions. They are comfortable with being invested in the latest, most popular investments, often without regard to a long-term plan. One of the key challenges of working with MIs is that they often overestimate their risk tolerance. Advisers need to be careful not to suggest too many "hot" investment ideas—MIs will likely want to do all of them. Some do not like, or even fear, the task of investing, and many put off making investment decisions without professional advice; the result is that they maintain, often by default, high cash balances. MIs generally comply with professional advice when they get it, but they can sometimes be difficult because they do not enjoy, or have no aptitude for, the investment process.

The behavioral biases of MIs are mostly cognitive: recency, hindsight, regret aversion, framing, and cognitive dissonance.

Recency Bias

Bias type: Cognitive

Recency bias is a predisposition to recall and emphasize recent events and/or observations and to extrapolate patterns where none exist. Recency bias ran rampant during the bull market of 2003–2007, when many investors wrongly presumed that the stock market—particularly energy, housing, and international stocks—would continue to gain indefinitely. A similar mentality is emerging now that the more recent bull market of 2009–2015 has become entrenched in some investors' minds. Moderate investors may invest when prices are peaking, materially hurting long-term returns.

Hindsight Bias

Bias type: Cognitive

Moderate clients may be susceptible to hindsight bias, which occurs when an investor perceives past investment outcomes as if they had been predictable. An example of hindsight bias is the response by investors to the financial crisis of 2008. Initially, many viewed the housing market's performance from 2003 to 2007 as "normal" (i.e., not symptomatic of a bubble), only later saying, "Wasn't it obvious?" when the market had a meltdown in 2008. Hindsight bias gives investors a false sense of security when making investment decisions, emboldening them to take excessive risk without recognizing it as such.

Framing Bias

Bias type: Cognitive

Framing bias is the tendency of investors to respond to situations differently on the basis of the context in which a choice is presented (framed). The use of risk tolerance questionnaires provides a good example. Depending on how questions are asked, framing bias can cause investors to respond to risk tolerance questions in either an unduly risk-averse or an unduly risk-taking manner. For instance, when questions are worded in the "gain frame" (e.g., suppose an investment goes up), a risk-taking response is more likely. When questions are worded in the "loss frame" (e.g., suppose an investment goes down), risk-averse behavior is the likely response.

Cognitive Dissonance Bias

Bias type: Cognitive

In psychology, cognitions represent attitudes, emotions, beliefs, or values. When multiple cognitions intersect—for example, a person believes something is true only to find out it is not—people try to alleviate their discomfort by ignoring the truth and/or rationalizing their decisions. Investors who suffer from this bias may continue to invest in a security or fund they already own after it has gone down (i.e., they double down), even when they know they should be judging the new purchase objectively and independently of the existing holding. A common phrase for this concept is "throwing good money after bad."

Regret Aversion Bias

Bias type: Emotional

Moderate investors often avoid taking decisive actions because they fear that, in hindsight, whatever course they select will prove unwise. Regret aversion can cause moderate investors to be too timid in their investment choices because of losses they have suffered in the past.

Advice for Moderate Investors

Clients with the biases of MIs need to recognize that they tend to follow the lead of others and may not have their own ideas about investing. Not fully grasping their own risk tolerance, they may simply plow ahead with the task of investing. When an investment goes their way, they may convince themselves that they "knew it all along," a view that also increases future risk-taking behavior. Advisers need to handle MIs with care because they are likely to say yes to investment ideas that make sense to them regardless of whether the advice is in their best long-term interest. Advisers need to lead MIs to take a hard look at behavioral tendencies that may cause them to overestimate their risk tolerance. Because MI biases are mainly cognitive, educating MI clients on the benefits of portfolio diversification and sticking to a long-term plan is usually the best course of action. Advisers should challenge MI clients to be introspective and should provide data-backed substantiation for their recommendations. Offering information to MI clients in clear, unambiguous ways so they have the chance to "get it" is a good idea. If advisers take the time, this steady, educational approach will generate client loyalty and adherence to long-term investment plans.

GROWTH INVESTORS

GROWTH INVESTORS

Risk tolerance: Medium to high

Behavioral bias orientation: Cognitive

BIT description: Growth investors (GIs) are active investors with medium to high risk tolerance; some are strong-willed and independent thinkers. GIs are often self-assured and "trust their gut" when making decisions; when they do their own research, however, they may not be thorough enough with due diligence tasks. GIs sometimes make investments without consulting anyone. This behavior can be problematic because, owing to their independent mindsets, these clients maintain their views even when those views are no longer supportable (e.g., because of changed market conditions). GIs often enjoy investing and are comfortable taking risks, but they may resist following a financial plan. Of all the behavioral investor types, GIs are the most likely to be contrarian, which can sometimes benefit them. Some GIs are obsessed with trying to beat the market and may hold concentrated portfolios.

The behavioral biases of GIs are cognitive: conservatism, availability, confirmation, representativeness, and self-attribution.

Conservatism Bias

Bias type: Cognitive

Conservatism bias occurs when people cling to a prior view or forecast at the expense of acknowledging new information. GIs often exhibit this behavior. For example, assume that an investor purchases a security on the basis of knowledge about a forthcoming new-product announcement. The company then announces that it is experiencing problems bringing the product to market. GIs may cling to the initial, optimistic impression of the new-product announcement and fail to take action on the negative announcement.

Availability Bias

Bias type: Cognitive

Availability bias occurs when people estimate the probability of an outcome on the basis of how prevalent that outcome appears to be in their lives. People who exhibit this bias perceive easily recalled possibilities as being more likely than those prospects that are harder to imagine or difficult to comprehend. For example, suppose that GI investors are asked to identify the "best" mutual funds. Many of them would perform a Google search and, most likely, find funds from firms that engage in heavy advertising. Investors subject to availability bias are thus influenced to pick funds from such companies, despite the fact that some of the best-performing funds advertise very little, if at all (they do not need to).

Representativeness Bias

Bias type: Cognitive

Representativeness bias occurs as a result of a flawed perceptual framework when processing new information. To make new information easier to process, some investors project outcomes that resonate with their own pre-existing ideas. For example, a GI might view a particular stock as a value stock because it resembles an earlier value stock that was a successful investment, but the new investment is *not* a value stock. Suppose that a high-flying biotech stock with scant earnings or assets drops 25% after a negative product announcement. Some GIs might take this situation to be representative of a "value" stock because the stock is cheap. But biotech stocks do not typically have earnings, whereas traditional value stocks have had earnings in the past but are temporarily underperforming.

Self-Attribution (Self-Enhancing) Bias

Bias type: Cognitive

Self-attribution bias (or self-enhancing bias) refers to the tendency of people to ascribe their successes to their own innate talents and to blame failures on outside influences. For example, suppose that a GI invests in a particular stock that goes up in price. The investor believes it went up not because of such external factors as economic conditions or competitor failures (the most likely reasons for the price rise) but, rather, because of the GI's investment savvy. This behavior is classic self-enhancing bias.

Confirmation Bias

Bias type: Cognitive

Confirmation bias occurs when people observe, overvalue, or actively seek information that confirms their claims while ignoring or devaluing evidence that discounts their claims. Confirmation bias can cause investors to seek only information that confirms their beliefs about an investment and not to seek information that contradicts their beliefs. This behavior can leave investors in the dark regarding, for example, the imminent decline of a stock. GIs are often subject to this bias.

Advice for Growth Investors

GIs can be difficult clients to advise owing to their independent mindsets, but they are usually grounded enough to listen to sound advice when it is presented in a way that respects their independent views. As we have learned, GIs firmly believe in themselves and their decisions but can be blind to contrary thinking. As with MIs, education is essential to changing the behavior of GIs, whose biases are predominantly cognitive. A good approach is to have regular educational discussions during client meetings, in which the adviser does not point out unique or recent failures but, rather, educates clients and incorporates concepts that are appropriate for them. Because GI biases are mainly cognitive, educating GIs on the benefits of portfolio diversification and sticking to a long-term plan is usually the best course of action. Advisers should challenge GIs to reflect on how they make investment decisions and should provide data-backed substantiation for their recommendations. Offering information in clear, unambiguous ways is an effective approach. If advisers take the time, this steady, educational method should yield positive results.

AGGRESSIVE INVESTORS

AGGRESSIVE INVESTORS

Risk tolerance: High

Behavioral bias orientation: Emotional

BIT description: Aggressive investors (AIs) are the most aggressive BIT. These entrepreneurial clients are often the first generation in their family to create wealth. They are even more strong willed and confident than GIs. Very wealthy AIs have often been in control of the outcomes of their business activities and believe they can do the same with investing—they are overconfident. AIs often like to change their portfolios as market conditions change, which often creates a drag on investment performance. AIs are quick decision makers; they may chase higher-risk investments that their friends or associates are investing in. Some AIs do not believe in such basic investment principles as diversification and asset allocation; they are often "hands-on" and want to be involved in the investment decision making.

The behavioral biases of AIs are overconfidence, self-control, affinity, outcome, and illusion of control.

Overconfidence Bias

Bias type: Emotional (with cognitive aspects)

Overconfidence is best described as unwarranted faith in one's own thoughts and abilities—which contains both cognitive and emotional elements. Overconfidence manifests itself in investors' overestimation of the quality of their judgment. Many aggressive investors claim an above-average aptitude for selecting stocks; however, numerous studies have shown this claim to be a fallacy almost always. For example, a study done by researchers Odean and Barber[2] showed that after trading costs (but before taxes), the average investor underperformed the market by approximately 2% a year owing to the investor's unwarranted belief in his ability to assess the correct value of investment securities.

[2]Brad M. Barber and Terrance Odean, "Trading Is Hazardous to Your Wealth: The Common Stock Investment Performance of Individual Investors," *Journal of Finance*, vol. 55, no. 2 (April 2000): 773–806.

Self-Control Bias

Bias type: Emotional

Self-control bias is the tendency to consume today at the expense of saving for tomorrow. The primary concern for advisers is a client with high risk tolerance coupled with high spending. For example, suppose that you have an aggressive client who prefers aggressive investments and has high current spending needs—and suddenly the financial markets hit severe turbulence. To meet current expenses, the client may be forced to sell solid long-term investments that have been priced down owing to current market conditions.

Affinity Bias

Bias type: Emotional

Affinity bias, another emotional bias, refers to investors' tendency to make irrationally uneconomical consumer choices or investment decisions on the basis of how they believe a certain product or service will reflect their values. AIs are often subject to this bias.

Outcome Bias

Bias type: Cognitive

This bias occurs when investors focus on the outcome of a process rather than on the process used to attain the outcome. In the investment realm, this behavior consists of focusing on a return outcome without regard to the process used (i.e., the risk taken) to achieve the return. It is important for clients to understand how the outcome was achieved, not simply the outcome itself.

Illusion of Control Bias

Bias type: Cognitive

The illusion of control bias occurs when people believe that they can control or at least influence investment outcomes when, in fact, they cannot. Aggressive investors who are subject to this bias believe that the best way to manage an investment portfolio is to constantly adjust it. For example, trading-oriented investors, who accept high levels of risk, believe that they possess more control over the outcomes of their investments than they actually do because they are "pulling the trigger" on each decision.

Advice for Aggressive Investors

Aggressive investors are the most difficult clients to advise, particularly if they have experienced losses. Because they like to control, or at least get deeply involved in, the details of investment decision making, they tend to eschew advice that might keep their risk tolerance in check. And they are excited and optimistic that their investments will do well, even if that optimism is irrational. Some ACs need to be monitored for excessive spending, which, if out of control, can inhibit the performance of a long-term portfolio through withdrawals at inopportune times. In my view, the best approach to dealing with these clients is to *take control* of the situation. Advisers who let an aggressive client dictate the terms of the advisory engagement will always be at the mercy of the client's irrational decision making, and the result will likely be an unhappy client and an unhappy adviser. Advisers need to prove to the client that they can make great, objective, long-term decisions and that they can effectively communicate the results. Advisers who demonstrate the ability to take control of a situation will see their aggressive, emotionally charged clients fall into step and be better clients who are easier to advise.

CONCLUSION

In this piece, I have viewed risk tolerance through a behavioral finance lens while giving advisers some practical steps to follow when working with behaviorally biased clients who fall within the risk tolerance spectrum. There are two key takeaways:

- When viewing risk tolerance from a behavioral finance perspective, try to identify how your clients will react not only to known risks but also to unknown risks; unknown risks that come to pass are often the source of behavioral issues that can derail an investment plan.
- When advising clients, it is essential to distinguish between the various types of biases you encounter. If you are dealing with emotional biases, your advice should be tailored to that type of behavior; if you are dealing with cognitive biases, your advice should reflect that situation.

In an overarching sense, I suggest that you try to discuss these issues with your clients as often as possible. I know it is not always easy to discuss psychological issues during the investment process, but if you are successful, you will have very satisfied, long-term clients.

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Appendix IV:
Jensen Quality Growth Manager Profile

Sunpointe Investments

Fund Profile As of 3/31/2020

Overall Rating: Approved

Jensen Quality Growth Fund

Benchmark: S&P 500 TR USD

Firm Overview

Jensen Investment Management's sole business is offering investment management services and began managing assets in August of 1988. Since the firm's inception, Jensen has managed U.S. high quality equity portfolios derived from a select universe of companies that have produced a long-term record of persistently high returns on equity. Jensen offers two strategies: Quality Growth and Quality Value. They both are derived from a singular investable universe of companies. The Quality Value strategy is quantitatively based, whereas the Quality Growth strategy includes fundamental research. Jensen operates as a Subchapter S corporation and is 100% owned by active employees.

Fund Information

Global Category	US Equity Large Cap Growth
Inception Date	7/30/2003
Firm City	Lake Oswego
Fund Size ($Mil)	8,514
# of Holdings	32
Average Market Cap ($Mil)	145,487
12 Mo Yield (%)	1.32
Turnover Ratio (%)	17.5
Closed to New Inv	No

Investment Vehicles

	Ticker	Fee
Separately Managed Account		0.70%
Super Institutional	JENYX	0.56%
Institutional Mutual Fund*	JENIX	0.62%
Retail Mutual Fund	JENSX	0.88%

**Vehicle used for data points*

Top 10 Holdings

Holdings	Portfolio Weight
Microsoft Corp	7.2%
PepsiCo Inc	6.8%
Becton, Dickinson and Co	6.7%
Johnson & Johnson	6.6%
Alphabet Inc A	5.7%
3M Co	5.1%
UnitedHealth Group Inc	4.4%
Apple Inc	4.3%
Accenture PLC Class A	4.2%
Pfizer Inc	3.8%
	54.8%

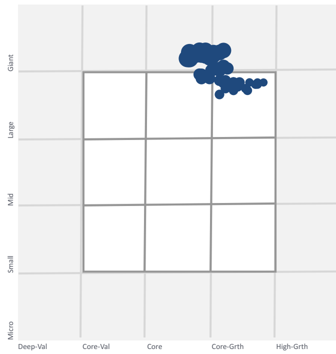
Investment Strategy

Jensen offers a quality growth equity discipline with fundamental, bottom up style of stock selection and concentrated positions. Jensen searches for quality companies by targeting exceptional business performance combined with endurance. The first step in defining the investment universe of quality growth companies is to begin with all U.S. companies with a market capitalization of $1 billion or more. Following that, Jensen seeks only those companies that have demonstrated strong business performance in each of the last ten years, as evidenced by a return on equity of 15% or greater in each and every year, as determined by the Investment Committee. This step results in a defined universe of fewer than 250 high quality growth businesses. The second step involves fundamental analysis of the qualifying businesses on a bottom up basis without regard to sector, industry group or market capitalization. Common characteristics of these quality growth companies are returns that are consistently above their cost of capital, barriers to entry, pricing power, growing free cash flow and management teams that are focused on using free cash to the benefit of their shareholders. They then utilize a discounted cash flow analysis to determine full value. After a business is deemed as high quality with sustainable growth, Jensen will only purchase the company if the quality and growth are significantly underpriced in the current market. This step results in a portfolio of 25 to 30 high quality companies which are also selling at discounts to their full value. The fourth step is portfolio construction. Position sizes may vary from 1% of the portfolio to as great as 7.5%. The Investment Committee does not normally allow any sector weight to exceed approximately 30% of the total portfolio. Turnover has historically averaged around 15% per year.

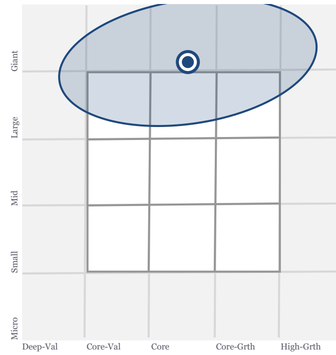
Comments

The Jensen investment team is solid and the process is repeatable, but not especially unique. The strategy struggled to add value throughout much of the bull market as all equities rallied, but began to fare better in 2015 after some volatility was introduced to the markets. We have conviction that the strategy can keep pace with the benchmark over a full market cycle, and do so with lower volatility. Periods of high tracking error are to be expected given the concentrated nature of the portfolio, with negative tracking error when quality is out of favor. The strategy will satisfy many SRI mandates and is relatively tax efficient for a concentrated actively managed fund.

Holdings-Based Style Trail



Holdings-Based Style Map



Risk Stats - Since Inception

	Inv	Bmk
Return	8.4%	8.1%
Standard Deviation	12.5%	13.9%
Sortino Ratio	0.8	0.7
Max Drawdown	-40.9%	-50.9%
R2	89.9	100.0
Tracking Error	4.5%	—
Information Ratio	0.1	—
Beta	0.9	1.0
Up Capture Ratio	87.7%	100.0%
Down Capture Ratio	80.1%	100.0%

Recent Meetings

Location	Name	Date
Conference Call	E. Schoenstein, Kimberly Foley	03/20/2018
Conference Call	E. Schoenstein, Kimberly Foley	09/20/2017

Sustainability

Sustainability Rating	Below Average
Sustainable Mandate	No
ESG Score vs. Category	—
Environmental Risk Score vs. Global Category	Average
Social Risk Score vs. Global Category	Low
Governance Risk Score vs. Global Category	Average
Percent of AUM Covered - ESG	100.0
Low Carbon Designation	Yes
Percent AUM Covered - Carbon	

Sunpointe Investments

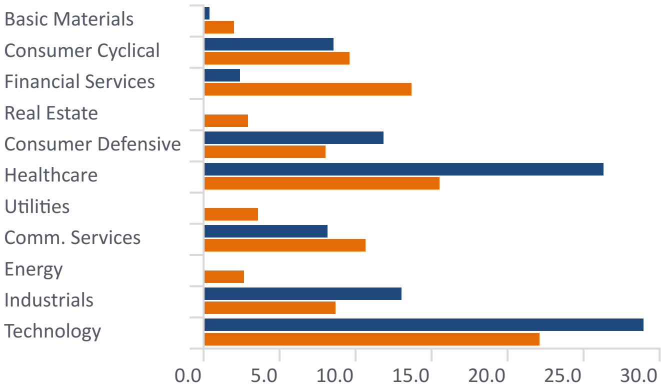
Fund Profile As of 3/31/2020

Overall Rating: Approved

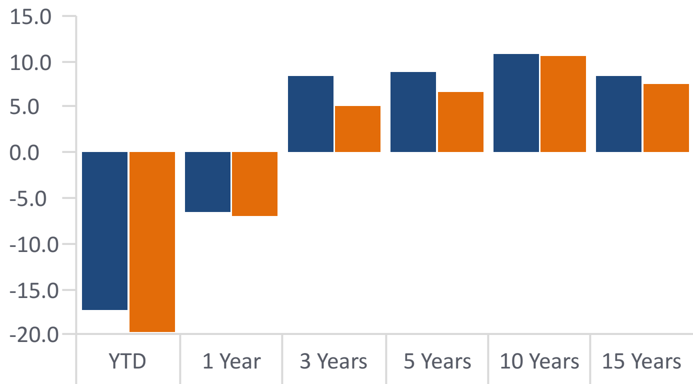
Jensen Quality Growth Fund

Benchmark: S&P 500 TR USD

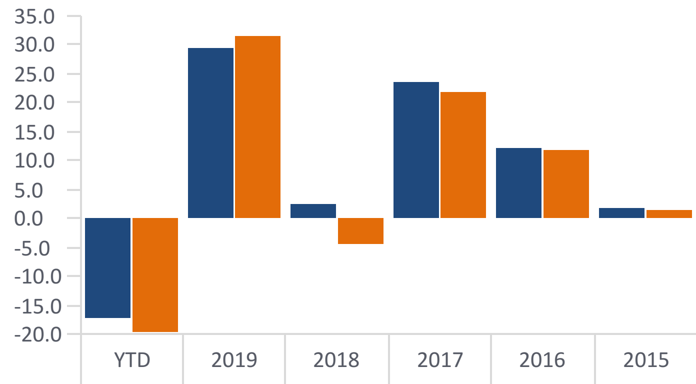
Sector Exposure (%)



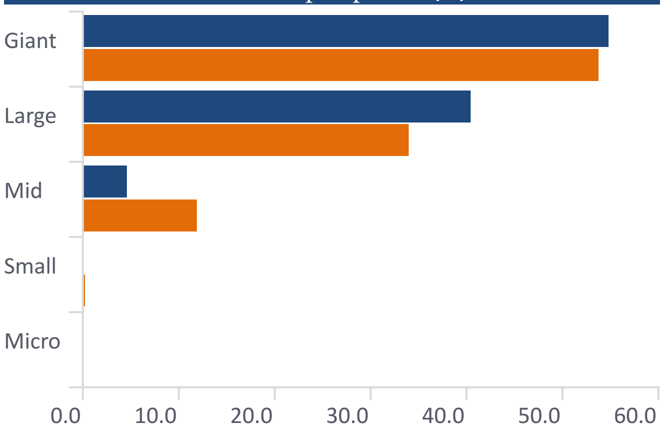
Trailing Returns (%)



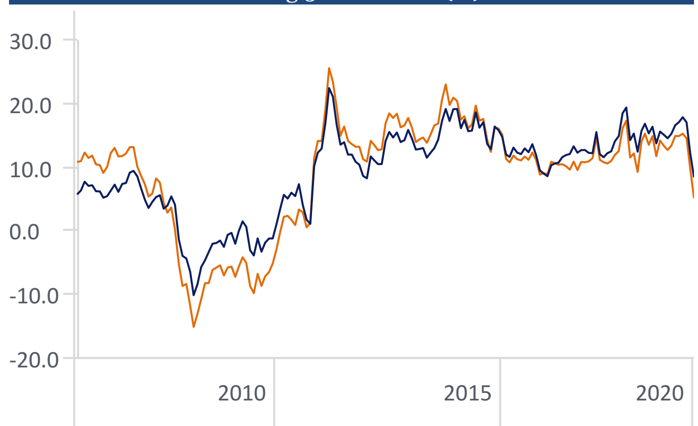
Calendar Year Returns (%)



Market Cap Exposure (%)

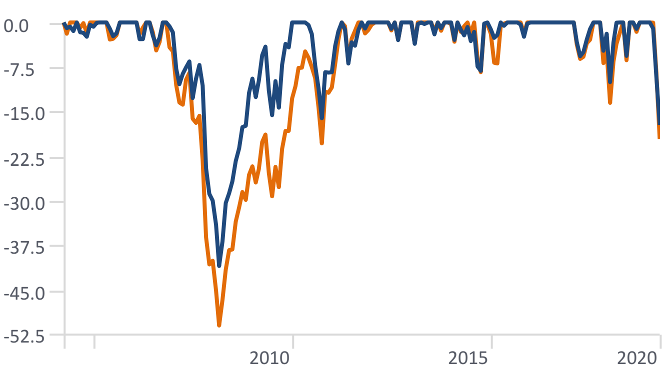


Rolling 3 Yr Returns (%)



Rolling 1 Yr Standard Deviation (%)

Drawdown



Rolling 3 Yr Up Capture Ratio (%)

Rolling 3 Yr Down Capture Ratio (%)

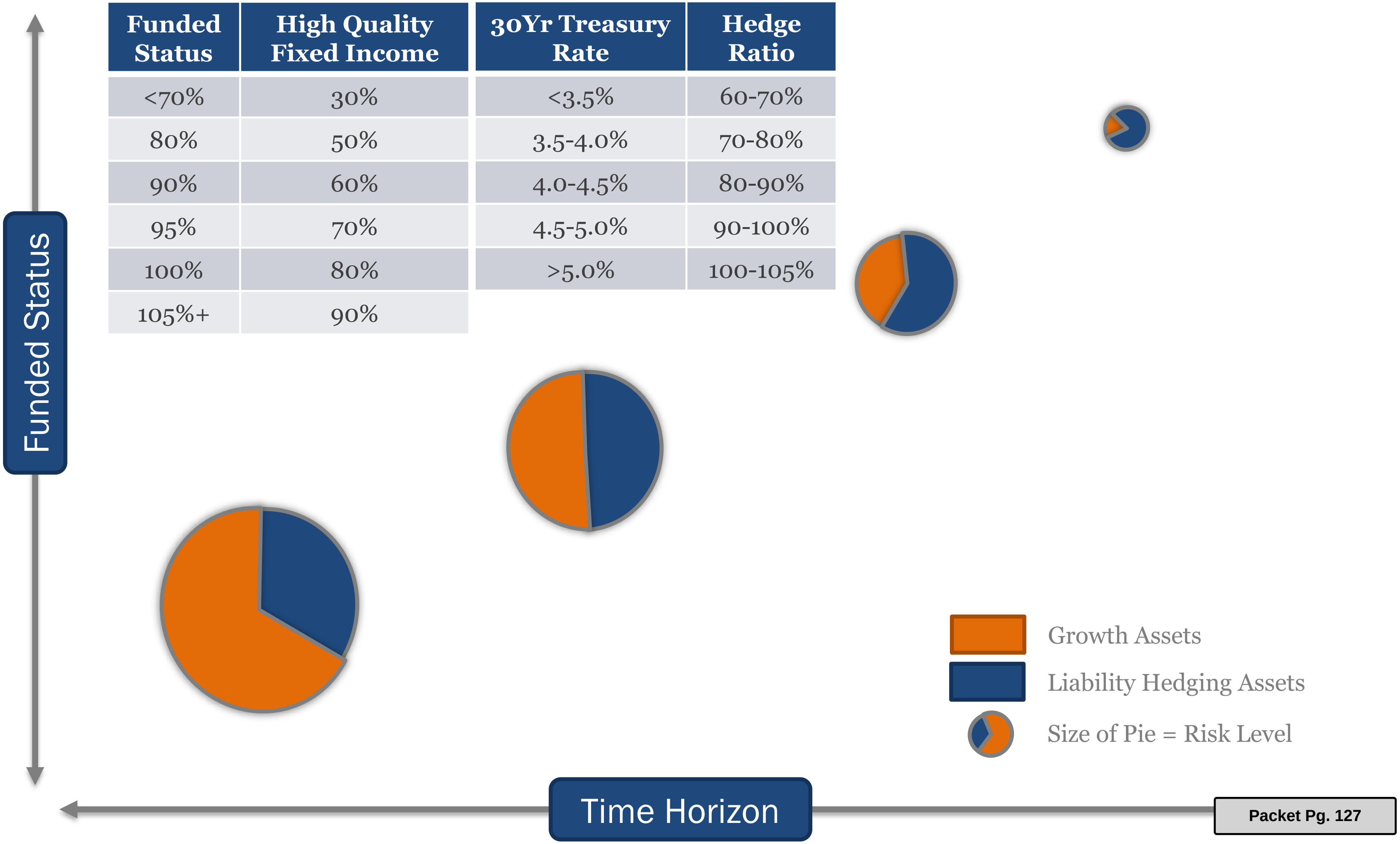
Jensen Quality Growth I   S&P 500 TR USD

Appendix V:
Sample Quarterly & Monthly Report

Included in this section is a sample client quarterly investment review. This review is specific to a family and their foundation but shows the level of detail to which we service our clients. CCEPP would experience comparable service and detail, but focused more on risks specific to pensions, such as implementing and monitoring the approach below.

Funded Status	High Quality Fixed Income
<70%	30%
80%	50%
90%	60%
95%	70%
100%	80%
105%+	90%

30Yr Treasury Rate	Hedge Ratio
<3.5%	60-70%
3.5-4.0%	70-80%
4.0-4.5%	80-90%
4.5-5.0%	90-100%
>5.0%	100-105%



Sunpointe Family and Foundation Quarterly Review

Michael M. Pompian, CFA, CAIA, CFP
Founder and CIO

Jack Dwyer, CFA, CAIA
Managing Director

July 2019

Sunpointe Investments

"An Institutional Approach to Family Wealth"

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Portfolio Review

- Executive Summary
- Objectives
- Asset Allocation
- Manager Information
- Capital Market Assumptions
- Performance Reports

Separate Handout: Market Environment Report

- Valuations
- Global Economic Outlook
- Asset Class Rankings

Executive Summary

- At today's meeting, we plan to discuss the following:
  - Portfolio asset allocation and implementation
  - An update on possible assets for the FLP loan repayment.
  - Projected spending and liquidity needs
    - Expected withdrawals over the next year include: 1) Tax payments anticipated to be about $200,000 per quarter, 2) up to $300,000 for general expenses each quarter, and 3) $300,000 for gifting in December.
    - Your accountant estimates the 2019 charitable gift limit to be about $600,000 to the Foundation and $900,000 if gifted directly.
    - Foundation:
      - 2018 gifts were $553,182. 2019 gifts are expected to be about $400,000 (excluding $100,000 from the IRA). YTD gifts have been $426,549.
      - **Stock 1** and **Stock 2** (December 2018 donation) remain outsized positions.
    - Rollover IRA: You made charitable contributions of $50,000 each to Charity 1 and Charity 2 and distributed the rest of your RMD into the TIC on 1/11/19.
    - FLP:
      - Distributions totaling $132,000 ($66,000 per child) were made on 1/17/19.
      - The FLP loan interest payment was made on 2/14/19.
      - Distributions totaling $72,000 ($36,000 per child) were made on 7/10/19.
      - Should we consider increasing the distribution and adjusting the schedule to distribute equal amounts quarterly?
      - The FLP loan repayment is due on 1/30/2020.

Executive Summary

- Asset Allocation:
  - Last quarter, we shifted the public equity US / International split from 60% US toward 70% US equities. We also moved 3% from the illiquid real asset target to private equity, the migration of the actual allocation will take several years to implement through future capital calls and distributions.
  - We do not recommend any changes to the current target allocation.
  - As of 7/8/19, at the risk category level, risky assets are 76.2% vs. a target of 75%. Risk mitigation asset are 23.8% vs. a target of 25%.

- Recommendations
  - Over the past quarter, we have requested redemptions from **Hedge Fund 1** and **Hedge Fund 2**. About $175,000 is expected from hedge fund 2 by 7/31.
  - Commit $1 million from the Roth IRA to **Medalist Partners Opportunity Fund II**, an income-oriented private credit strategy focusing on lending opportunities secured by hard assets. While the fund is a drawdown structure, the expected life is only 5 years and investments are predominantly high cash flow, self-amortizing and income generating.
  - Invest $350,000 from the recent **RE Fund** (FLP) distribution into **Vanguard Total Stock Market**.
  - Trim **Stock 1** or **Stock 2** in Foundation to replenish cash from this years' distributions and to fund the initial call for **Private Equity Fund VIII** expected in August.

Performance Review

Performance (%) as of 6/30/2019										
	Market Value ($)	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Since Inception	Inception Date
Sunpointe Family Portfolio	**64,094,448**	**2.2**	**10.4**	**6.0**	**10.6**	**5.7**	**8.1**	**8.8**	**4.9**	**Dec-07**
Sunpointe Blend Benchmark		*2.1*	*10.0*	*3.8*	*8.8*	*5.4*	*7.6*	*8.2*	*4.6*	
70% MSCI ACWI/30% Barclays Agg.		*3.6*	*13.3*	*6.7*	*8.9*	*5.3*	*7.8*	*8.5*	*4.7*	

Note: Returns are annualized if greater than one year. Returns are reported net of fees.

- For the 12 months ending 6/30/19, the Family/FLP portfolio gained 6.0%, outperforming the blended benchmark by 2.2%, but trailing the 70% MSCI ACWI / 30% Barclays Aggregate benchmark by 0.7%. Much of the difference compared to 70/30 is attributable to illiquid investments not yet reflecting the first half gains in public markets.
- Over the past year, US equities, private equity, and real assets have contributed to relative returns. High quality managers like Jensen in the US and MFS International significantly outperformed their respective benchmarks. Individual stocks and the WCM Small Cap Growth fund also helped returns.
- The largest detractors over the past year have been value-oriented managers like Sanderson International and Evermore in the Foundation. Hedge Fund 1 in the flexible strategies detracted from performance along with Stock 3.
- As of 6/30/19 the value of the Sunpointe Foundation was $9,286,504.

Implementation Summary

- Received $500,000 on 3/4/19 from **Stock 4** option exercise.
- Funded a capital call for **PE Fund S II** (TIC) of $263,319 on 3/4/19.
- Received a distribution from **Energy Fund** (TIC) of $62,692 on 3/6/19.
- Sold $500,000 of **MFS International Value** (Millennium Roth IRA) and invested proceeds in **Vanguard Total Stock Market** on 3/8/19.
- Invested $150,000 in **Baird Core Plus Bond Fund** (Roth IRA) on 3/11/19.
- Received distributions from **PE Fund IV** of $48,074 on 3/11/19 and $16,756 on 6/7/19.
- Gifted 340 shares of **stock 5** from the TIC to **Charity 3** on 3/15/19.
- Received distribution from **PIP III** (TIC) of $30,000 on 3/22/19 and $11,250 on 5/6/19.
- Funded capital calls for **PIP IV** (TIC) of $30,000 on 3/26/19 , $15,000 on 5/6/19, and $45,000 on 6/3/19.
- Funded a capital call for **Real Estate Net Lease III** (TIC) of $84,950 on 3/28/19.
- Redeemed $1.3 million from **Sanderson** (FLP) and invested in **Vanguard Total Stock Market** on 4/8/19.
- Invested $150,000 into **Vanguard Intermediate-Term Tax-Exempt** (FLP) on 4/8/19.
- Made a portfolio withdrawal of $325,000 for taxes on 4/12/19.
- Funded a capital call for **PE Fund VII** (Roth IRA) of $134,704 on 4/18/19.
- Received a distributions from **RE Fund III** (FLP) of $114,130 on 4/30/19, $116,956 on 6/11/19, and $347,827 on 7/2/19.
- On 5/14/19, raised cash in the TIC for Atlas and calls by selling:
  - $300,000 of **Vanguard International Developed Markets**
  - $200,000 of **MFS International**
  - The balance (about $143,000) of **Vanguard Emerging Markets**
  - Small holding in **Wabtech** (GE spinout)

Implementation Summary

- Made an investment in the **Real Estate Opportunity Zone Fund** (TIC) of $500,000 on 5/20/19.
- Funded a capital call for **Energy Partners VI** (FLP) of $51,877 on 5/31/19.
- Received a distribution from **Asia Real Esate III** (TIC) of $42,500 on 6/6/19 we expect another of $102,500 on 7/19/19.
- Funded a capital call for **Real Estate Fund X** (Millennium IRA) of $75,000 on 6/10/19.
- Received a distribution from **Energy Partners V** (FLP) of $281,452 on 6/13/19.
- Received a distribution from **Energy Partners VI** (FLP) of $101,795 on 6/17/19.
- Trades on 6/28/19:
  - In the FLP, invested an additional $200,000 in the **Baird Ultra-Short Bond Fund** and an additional $400,000 in **Vanguard Total Stock Market**.
  - In the TIC, trimmed **MFS International** and **Tactile** by $200,000 each.
- Gifted $50,000 to Olin from the Foundation on 7/1/19.
- Received a distribution from **Private Real Assets** (TIC) of $81,638 on 7/2/19.

- We expect a call of about $100,000 to $150,000 for **Private Fund VIII** (Foundation) by late August.

FLP Loan Repayment Draft Plan (50% loan forgiveness as of 7/10/19)

	7/10/19 Value	% Of FLP	Used to Repay Loan	Remain in FLP	Resulting FLP Allocation	Cost Basis (USD)	gain percent	Est. Gain / Loss
Risk Mitigation Asset	**$5,654,326**	**21.9%**			19.3%	-		
Defensive	**$3,081,735**	**11.9%**				**$3,048,454**		
Cash	**$969,935**	**3.7%**				**$968,459**		
Baird Ultra Short Bond Fund	$459,004	1.8%	$200,000	$259,004	1.3%	$457,528	0.3%	
Sweep	$510,931	2.0%	$252,309	$258,622	1.2%	$510,931	0.0%	
Municipal Bonds	**$2,111,800**	**8.2%**				**$2,079,995**		
Vanguard Intermediate-Term Tax-Exempt - Admiral	$2,111,800	8.2%	$1,200,000	$911,800	4.4%	$2,079,995	1.5%	$18,349
Flexible	**$2,572,591**	**9.9%**				-		
Diversifying Strategies	**$2,572,591**	**9.9%**				-		
Mercer Domestic Hedge	$2,572,591	9.9%		$2,572,591	12.4%	$2,609,000	-1.4%	
Risky Asset	**$20,212,660**	**78.1%**			80.7%	-		
Growth	**$16,380,702**	**63.3%**				-		
US All Cap/Large Cap Equity	**$8,511,125**	**32.9%**				-		
Sunpointe FLP Parametric	**$5,643,939**	**21.8%**		$5,643,939	27.3%	**$2,665,450**	111.7%	$0
Vanguard Total Stock Market Index Fund Adm	$2,867,186	11.1%	$2,867,186			$2,639,391	8.6%	$247,455
US Quality Equity	**$1,686,436**	**6.5%**				**$898,667**		
Vanguard Dividend Appreciation Index Fund	$1,686,436	6.5%		$1,686,436	8.1%	$898,667	87.7%	
International Large Cap Equity	**$3,953,448**	**15.3%**				**$2,981,799**		
MFS International	$1,809,668	7.0%		$1,809,668	8.7%	$1,076,804	68.1%	
Sanderson Intl Value Fund	$1,803,559	7.0%	$300,000	$1,503,559	7.3%	$1,591,294	13.3%	$40,017
Vanguard International Developed Index Fund	$340,221	1.3%	$340,221			$313,700	8.5%	$28,762
Emerging Market Equity	**$1,793,957**	**6.9%**				**$1,604,904**		
Vanguard Emrg MKTS STK Index FD Adm SHRS	$1,793,957	6.9%		$1,793,957	8.7%	$1,604,904	11.8%	
Private Equity	**$435,736**	**1.7%**						
PE Fund IV	$294,292	1.1%		$294,292	1.4%			
PE Partners III	$141,444	0.5%		$141,444	0.7%			
Hybrid/Income	**$3,831,958**	**14.8%**				**$1,572,836**		
Infrastructure/MLP	**$975,634**	**3.8%**				**$890,004**		
Sunpointe FLP Tortoise	**$975,634**	**3.8%**		$975,634	4.7%	**$890,004**	9.6%	
Natural Resources	**$2,168,791**	**8.4%**				**$682,833**		
Energy Partners V	$1,246,540	4.8%		$1,246,540	6.0%			
Energy Partners VI	$922,251	3.6%		$922,251	4.5%			
Real Estate	**$687,533**	**2.7%**						
RE Fund III	$687,533	2.7%		$687,533	3.3%			
Total	**$25,866,985**	**100.0%**	**$5,159,716**	**$20,707,270**		-		$334,584

- Forgiving 50% of the outstanding FLP loan should enable the repayment of the remaining $5.2 million while maintain the current risk profile of the FLP (about 80% more risky assets) and limiting the taxable gain to about $335,000.
- Strict minimization of taxes could limit them to about $60,000, but the resulting FLP allocation would be 93% risky assets.
- The remaining gift exemption is $14.7 million.

Objectives

Portfolio Objectives

Sunpointe Family Portfolio

"The Portfolio's primary investment objective is aggressive growth to be achieved by selecting the highest quality money management firms, both passive and active, consistent with the asset allocation targets set by the Family in concert with its Consultant. Over a three- to five-year market cycle, the returns earned by the active managers should exceed the rates of return of the appropriate style benchmarks, after fees. The Family will compare returns of the total portfolio to an appropriate composite benchmark."[1]

Liquidity:

The Portfolio's liquidity will be consistent with the spending policy detailed here. Portfolio liquidity will be monitored at least semi-annually. A percentage higher than 50% of illiquid assets held in the Portfolio will trigger a review of prospective illiquid investments that might be considered for the Portfolio. Approximately $1-1.5 million will be maintained in cash and money markets for liquidity requirements.

Time Horizon:

The Portfolio's Time Horizon is approximately twenty years.

Spending Policy:

The estimated maximum spending amount is targeted to be 4.0% from the Family Portfolio.

[1] Source: Sunpointe Family Investment Policy Statement

Portfolio Objectives

Sunpointe Family Limited Partnership Portfolio

"The Portfolio's primary investment objective is aggressive growth to be achieved by selecting the highest quality money management firms, both passive and active, consistent with the asset allocation targets set by the Partnership in concert with its Consultant. Over a three- to five-year market cycle, the returns earned by the active managers should exceed the rates of return of the appropriate style benchmarks, after fees. The Partners will compare returns of the total portfolio to an appropriate composite benchmark."[1]

Liquidity:

The Portfolio's liquidity will be consistent with the spending policy detailed here. Portfolio liquidity will be monitored at least semi-annually. A percentage higher than 50% of illiquid assets held in the Portfolio will trigger a review of prospective illiquid investments that might be considered for the Portfolio. Approximately $400,000 will be maintained in cash and money markets for liquidity requirements.

Time Horizon:

The Portfolio's Time Horizon is approximately twenty years.

Spending Policy:

The estimated maximum spending amount is targeted to be 3.0% from the FLP.

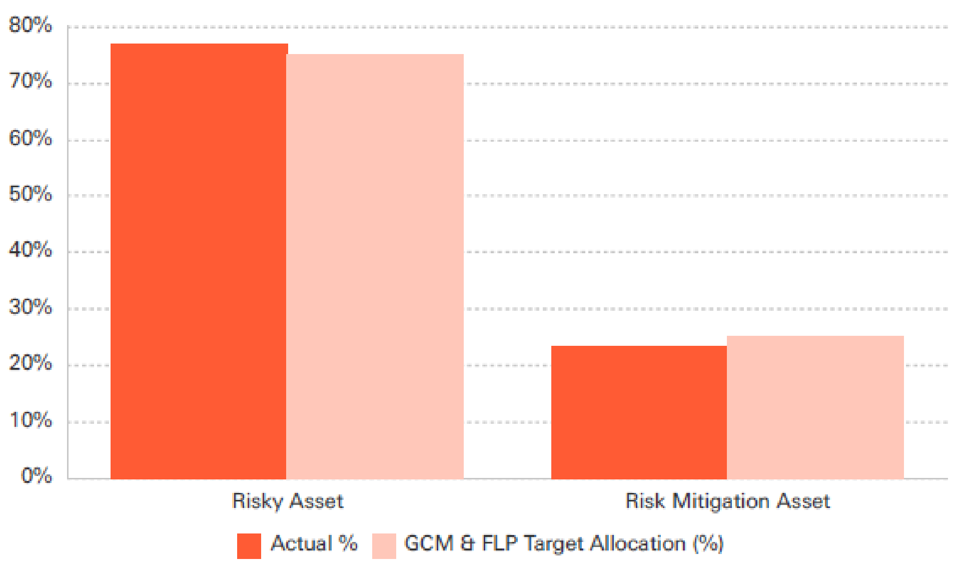
[1] Source: Sunpointe Family Limited Partnership Investment Policy Statement

Asset Allocation

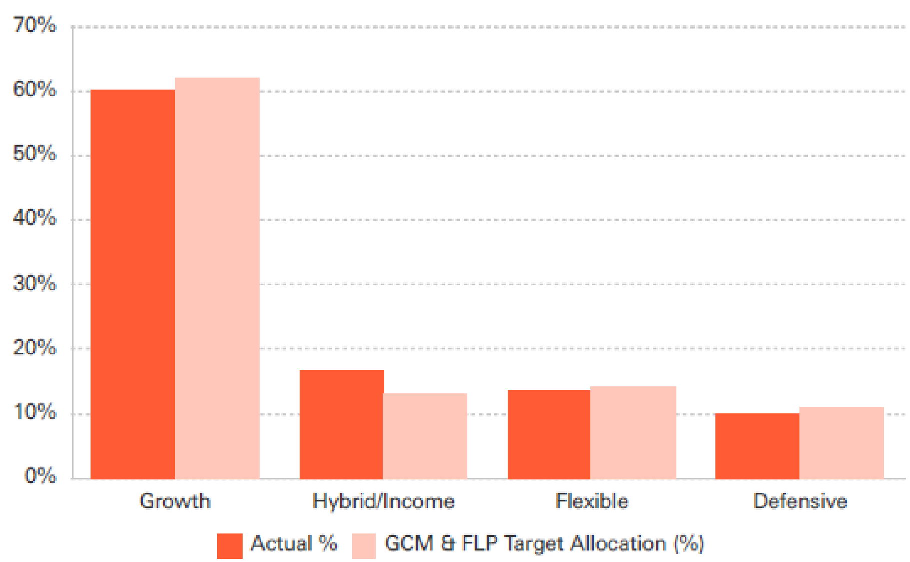
Asset Allocation: Current vs. Target (as of 6/30/19)

- The portfolio is slightly overweight risky assets due in part to the Atlas Opportunity Zone Fund investment.
- At the risk category level, risky assets are 76.2% vs. a target of 75%. Risk mitigation assets are 23.8% vs. a target of 25%.
- At a strategy level, hybrid / income remains overweight at the expense of growth assets. This is due largely to shifting 3% of the target from real assets to private equity earlier this year.

Risk Level



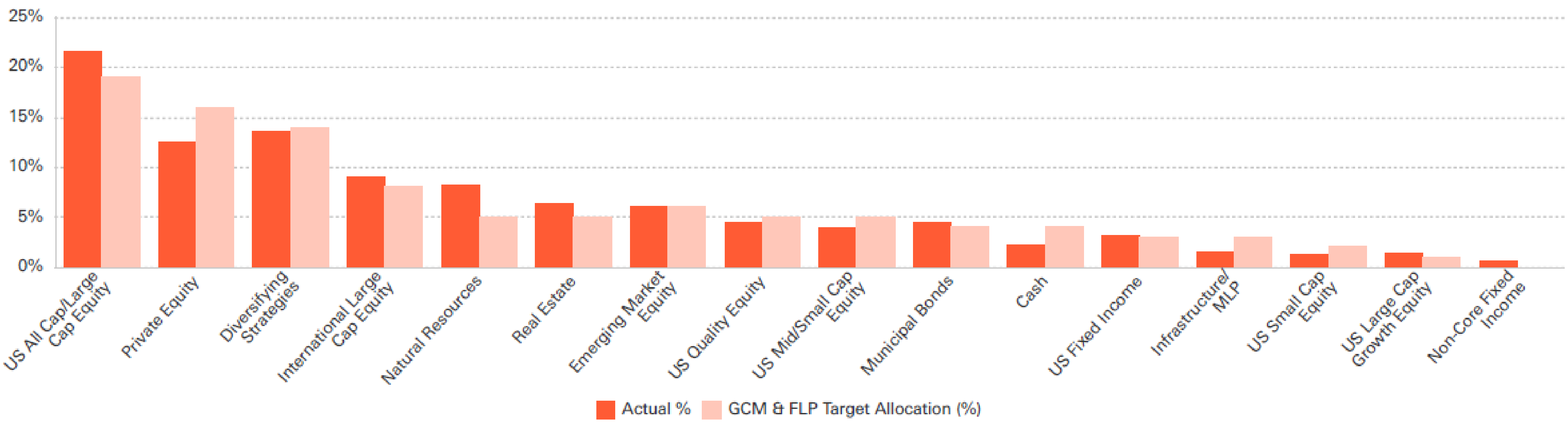
Strategy



Asset Allocation: Current vs. Target (as of 6/30/19)

- Cash is underweight due primarily to the recent investment in the Opportunity Zone Fund. That has also caused real estate to be overweight.
- The portfolio is overweight US large-cap stocks in part due to the large Stock 5 position and to account for the fact that private equity isn't yet to its target.
- The portfolio remains underweight infrastructure / MLP to account for some of the overweight in illiquid natural resource funds.

Sunpointe Asset Class



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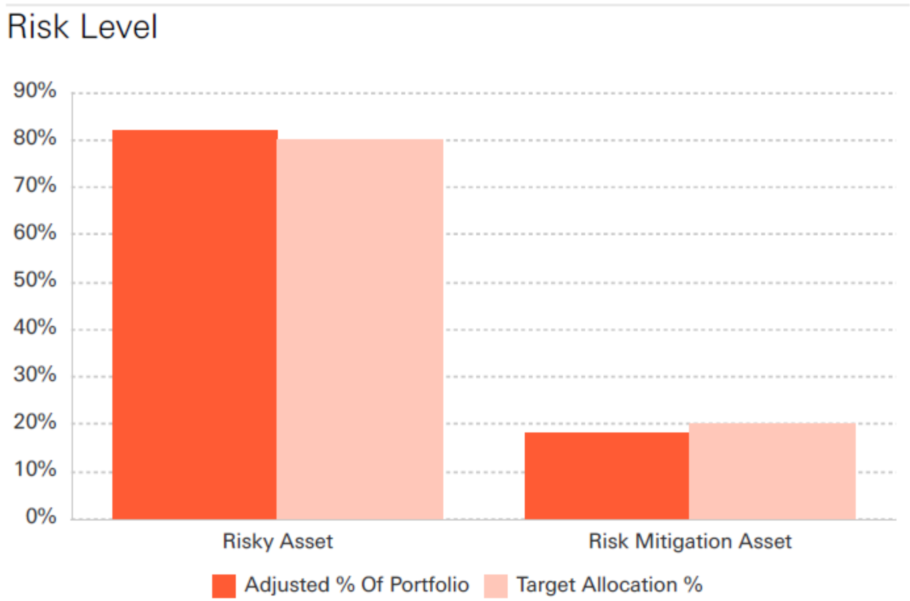
Asset Allocation Model

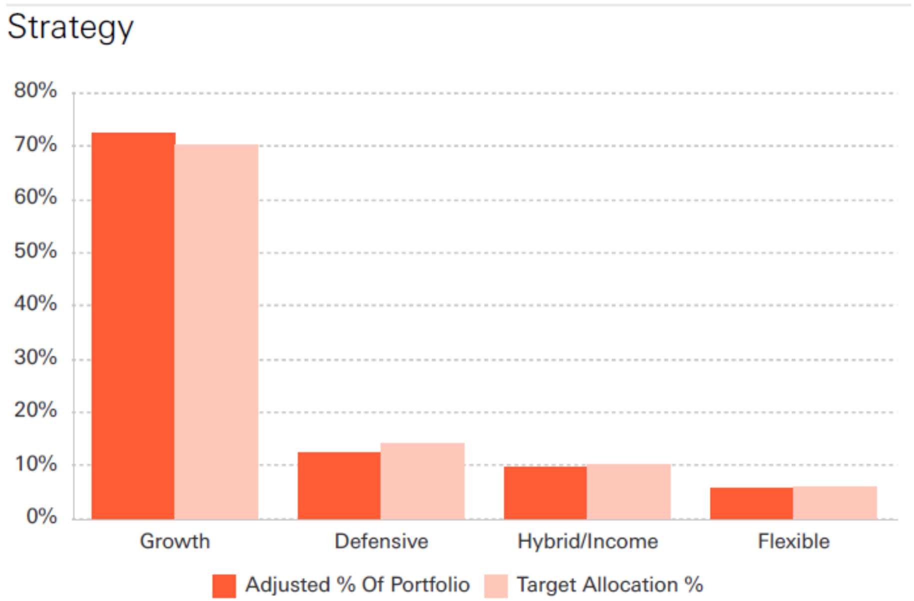
	Sunpointe Allocation 7/8/2019	Sunpointe Policy Target	Sunpointe FLP 7/8/2019	Sunpointe Foundation 7/9/2019	Foundation Policy Target	Foundation Pro-Rata Target	Sunpointe Model
	A	B	C	D	E	F	G
Risk Mitigation							
Defensive							
Cash	2.8%	4.0%	3.7%	1.7%	4.0%	4.0%	3.0%
US Fixed Income	3.0%	3.0%	0.0%	10.1%	10.0%	10.0%	2.0%
Municipal Bonds	4.4%	4.0%	8.2%				10.0%
Total Defensive	10.2%	11.0%	11.8%	11.8%	14.0%	14.0%	15.0%
Flexible							
Diversifying Strategies	13.6%	14.0%	9.9%	5.7%	6.0%	6.0%	15.0%
Total Flexible	13.6%	14.0%	9.9%	5.7%	6.0%	6.0%	15.0%
Total Risk Mitigation	**23.8%**	**25.0%**	**21.8%**	**17.5%**	**20.0%**	**20.0%**	**30.0%**
Risky Asset							
Growth							
Global Equity				5.1%	5.0%	5.8%	7.0%
US All Cap/Large Cap Equity	27.7%	25.0%	39.4%	33.4%	33.0%	38.5%	17.0%
US Mid/Small Cap Equity	5.2%	7.0%		14.3%	5.0%	5.8%	5.0%
International Large Cap Equity	8.9%	8.0%	15.3%	11.2%	10.0%	11.7%	9.0%
Emerging Market Equity	6.0%	6.0%	7.0%	8.8%	7.0%	8.2%	4.0%
Private Equity (PE, RA, RE)	26.3%	26.0%	12.7%		10.0%	0.0%	20.0%
Total Growth	74.1%	72.0%	74.4%	72.8%	70.0%	70.0%	62.0%
Hybrid/Income							
Infrastructure							2.0%
MLP	1.5%	3.0%	3.8%	4.1%	5.0%	5.0%	2.0%
Non-Core Fixed Income	0.5%			1.1%			4.0%
Public Core Real Estate				4.4%	5.0%	5.0%	
Total Hybrid/Income	2.1%	3.0%	3.8%	9.7%	10.0%	10.0%	8.0%
Total Risky Asset	**76.2%**	**75.0%**	**78.2%**	**82.5%**	**80.0%**	**80.0%**	**70.0%**
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Return							
10 Yr. Horizon Expected Return	7.4%	7.4%	6.8%	6.4%	6.8%	6.3%	7.0%
Risk (Using 10-yr Horizon Returns)							
Standard Deviation (1 Yr.)	10.6%	10.5%	10.0%	9.9%	9.7%	9.6%	8.8%
Standard Deviation (10 Yr.)	3.4%	3.3%	3.2%	3.1%	3.1%	3.0%	2.8%
Probability of Loss Year	22.7%	22.4%	23.4%	24.3%	22.9%	24.1%	20.3%
Probability of 10% or Worse Loss	4.5%	4.3%	4.2%	4.4%	3.8%	4.0%	2.5%
Lowest Likely Return (1 Yr.)	-16.7%	-16.4%	-16.0%	-16.1%	-15.4%	-15.5%	-13.2%
Lowest Likely Return (10 Yr.)	0.0%	0.1%	-0.3%	-0.6%	-0.1%	-0.5%	0.7%
Sharpe Ratio	0.46	0.47	0.43	0.39	0.44	0.40	0.50

- Overall, the portfolios' current allocation has similar risk and return characteristics compared to their policies.
- The expected return for the FLP and Foundation are lower than the broader portfolio due to the lower allocations to private equity.
- Note that private real assets are modeled in the private equity line.

Foundation Asset Allocation: Current vs. Target (as of 6/30/19)

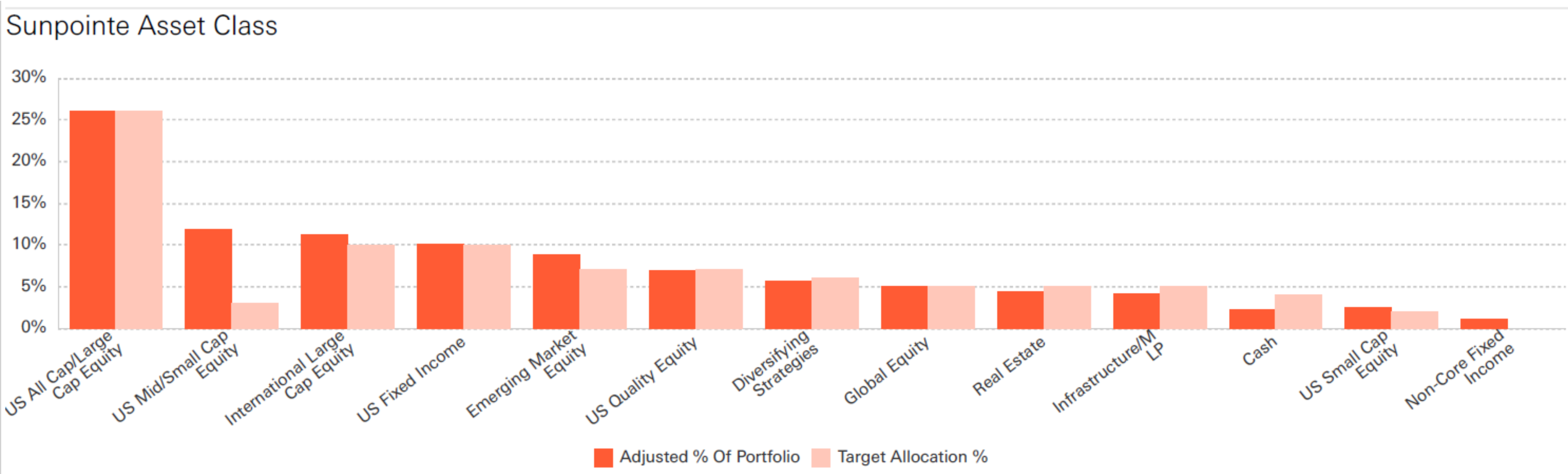
- The Foundation is slightly overweight growth assets at the expense of defensive assets partly because of the YTD growth in Charles River and Exact Sciences and due to the use of cash for charitable gifts.
- At the risk category level, risky assets are 81.9% vs. a target of 80%. Risk mitigation assets are 18.1% vs. a target of 20%.





Foundation Asset Allocation: Current vs. Target (as of 6/30/19)

- The Foundation is overweight US mid/small cap due to the Charles River shares received last December.
- Cash is underweight due to charitable contributions made YTD.
- Non-core Fixed Income is overweight because we eliminated the allocation but are still waiting for the full redemption of Stone Ridge Reinsurance Risk Premium.



Manager Information

Medalist Partners Opportunity Fund II

Fund Overview

Strategy	• Take advantage of the dislocation in specialty lending as a result of the current bank regulatory environment • Selectively target high value sectors with a focus on secured current cash flowing assets
Opportunity	• Traditional banks and specialty lenders have seen a significant reduction in lending capabilities in recent years
Returns	• Low to mid teens IRR with limited correlation to broader debt markets

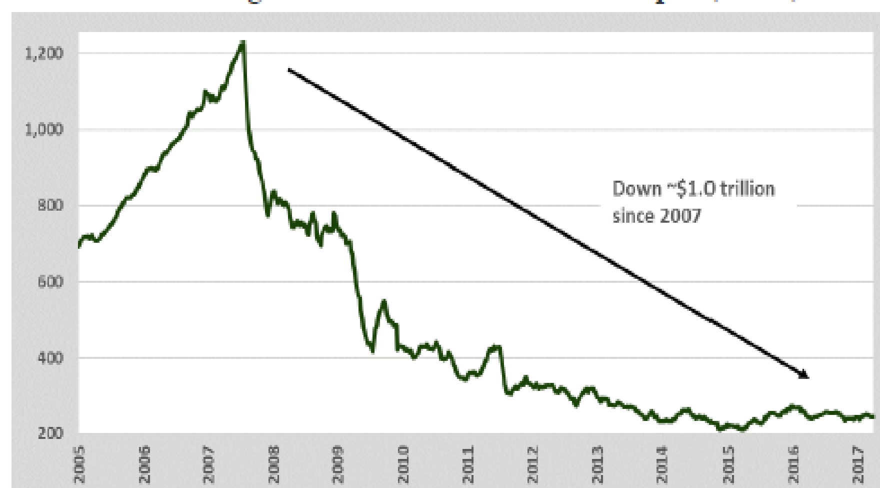
Traditional banks continue to face higher and more robust capital requirements…

…with funding moving away from the banking sector…

Tier 1 Capital to Total Assets Ratio of All U.S. Banks

Source: FDIC

Outstanding Asset Backed Commercial Paper ($ Bln)



Source: FRED

Medalist Partners Opportunity Fund II

Fund Structure	
Fees	• 1.5% per annum of drawn capital commitments • Incentive Fee of 20% with a 7% preferred return (w/ GP catchup)
Fund Term	• Expected 5 year life, with 2 year extension possible
Minimum Investment	• $1,000,000 (with GP waiver option)
Commitment Closings	• Final close expected by September 2019 subject to capacity

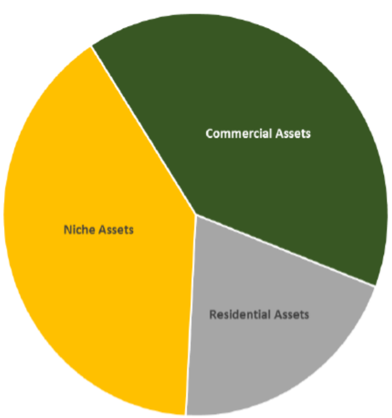
Medalist Opportunity Fund II – Projected Portfolio Breakdown

Medalist will originate, purchase, and/or fund asset based loans in conjunction with specialty finance originators spanning multiple sectors across commercial, residential and other niche assets.

Specialty Finance

- Equipment Finance
- Aircraft
- Vehicle Finance
- Small Business Loans
- Consumer installment
- Receivables Factoring
- Other Niche Assets

35% - 40%



Commercial Assets

- Small Business Administration Programs
- Commercial Real Estate (Traditional, Transition Lending, Small Balance)

35% - 40%

Residential Assets

- Residential Real Estate (Traditional, Transition Lending, Fix and Flip)

20% - 25%

Extensive Experience

- The investment team has experience building and leading asset finance and asset backed securities businesses at leading investment banks across Wall Street
- 31 professionals across Medalist Partners, including 11 investment professionals focused on structured credit and private credit
- The investment team is further supported by more than 50 employees within our dedicated SBA commercial real estate origination platform

Sourcing Advantage

- Private credit strategies, particularly in asset backed lending, require specific sourcing networks and expertise
- The investment team maintains a broad array of long-term relationships with direct originators, lending arms of the investments banks and general industry contacts (advisory firms, lawyers, etc.)
- Limited institutional competitors in the space

Selective Investment Process

- Limiting capacity in funds enables the ability to be highly selective in capital deployment
- The investment team has reviewed hundreds of potential transactions and carefully selects only a limited number to execute
- Fund I has completed 35 transactions to date across 17 separate credits

Demonstrated Track Record in Private Credit

- Fund I is fully drawn on committed capital and has a net return since inception of 29.1%1
- Fund II leverages the robust sourcing and investment capabilities previously developed on the br platform

US Equity

As of 6/30/2019 Group/Investment	Ticker	Exp Ratio (%)	Yield	Morningstar Rating Overall	MTD Return	QTD Return	YTD Return	1 Year Return	1 Year Peer Rank (%)	3 Years Return	3 Years Peer Rank (%)	5 Years Return	5 Years Peer Rank	5 Years Std Dev	5 Years Sharpe Ratio	5 Years Up Capt. Ratio	5 Years Down Capt. Ratio	10 Years Return	10 Years Peer Rank (%)
U.S All Cap/Large Cap Equity																			
GCM Jensen					6.4	2.5	17.4	14.6	5	15.3	6	13.4	1	11.1	1.11	99.2	77.9	14.7	9
Jensen Quality Growth I	JENIX	0.62	1.09	ÙÙÙ	6.4	2.6	17.4	14.8	4	15.6	4	13.2	1	11.3	1.08	100.5	81.2	14.7	9
Milne FLP Parametric					7.0	4.2	18.4	9.3	42	14.7	12	11.0	6	11.9	0.86	99.9	97.6	14.9	6
Vanguard Dividend Appreciation	VDADX	0.08	1.76	ÙÙÙÙ	6.7	5.5	18.8	15.6	4	13.7	37	10.4	20	11.3	0.86	92.6	88.6	13.6	48
Vanguard Total Stock Mkt Idx Adm	VTSAX	0.04	1.82	ÙÙÙÙ	7.0	4.1	18.7	9.0	46	14.0	24	10.2	26	12.3	0.78	100.0	104.2	14.7	9
Benchmark 1: S&P 500 TR USD					*7.0*	*4.3*	*18.5*	*10.4*	*24*	*14.2*	*18*	*10.7*	*9*	*12.0*	*0.83*	*100.0*	*100.0*	*14.7*	*10*
Benchmark 2: Russell 3000 TR USD					*7.0*	*4.1*	*18.7*	*9.0*	*46*	*14.0*	*24*	*10.2*	*26*	*12.3*	*0.78*	*100.0*	*104.1*	*14.7*	*11*
Number of investments ranked									424		379		357						300
U.S. Large Cap Growth Equity																			
Vanguard Growth Index Admiral	VIGAX	0.05	1.11	ÙÙÙÙ	6.8	4.7	22.4	10.4	46	16.6	53	12.0	45	13.2	0.86	109.3	105.0	15.7	30
Benchmark 1: Russell 1000 TR USD					*7.0*	*4.2*	*18.8*	*10.0*	*50*	*14.1*	*79*	*10.5*	*65*	*12.1*	*0.81*	*100.0*	*100.0*	*14.8*	*52*
Benchmark 2: Russell 1000 Growth TR USD					*6.9*	*4.6*	*21.5*	*11.6*	*34*	*18.1*	*35*	*13.4*	*23*	*13.0*	*0.96*	*112.3*	*99.7*	*16.3*	*19*
Number of investments ranked									398		369		351						298
U.S. Small Cap Core																			
Fuller & Thaler Behavioral Sm-Cp Eq	FTHSX	0.85	0.47	ÙÙÙÙÙ	7.4	4.5	17.0	-1.6	31	12.8	14	9.6	2	15.2	0.62	87.2	71.0		
GCM Kennedy Capital					7.5	4.6	21.9	4.6	6	13.4	8	9.2	3	17.5	0.54	101.4	91.6		
Benchmark 1: Russell 2000 TR USD					*7.1*	*2.1*	*17.0*	*-3.3*	*45*	*12.3*	*21*	*7.1*	*29*	*16.6*	*0.44*	*100.0*	*100.0*	*13.4*	*35*
Benchmark 2: Russell 2500 TR USD					*7.1*	*3.0*	*19.2*	*1.8*	*15*	*12.3*	*21*	*7.7*	*15*	*15.0*	*0.51*	*89.6*	*83.5*	*14.4*	*12*
Number of investments ranked									230		219		195						153

Notes: Return and standard deviation color coded if performance deviates by greater than 1% from the benchmark. Capture ratios color coded when deviating by 10%. Allow +/- 0.01% for extended rounding.

International Equity

As of 6/30/2019 Group/Investment	Ticker	Exp Ratio (%)	Yield	Morningstar Rating Overall	MTD Return	QTD Return	YTD Return	1 Year Return	1 Year Peer Rank (%)	3 Years Return	3 Years Peer Rank (%)	5 Years Return	5 Years Peer Rank	5 Years Std Dev	5 Years Sharpe Ratio	5 Years Up Capt. Ratio	5 Years Down Capt. Ratio	10 Years Return	10 Years Peer Rank (%)
Global Equity																			
Evermore Global Value Institutional	EVGIX	1.19	0.44	ÙÙÙ	5.5	6.6	13.6	-9.8	99	8.3	79	4.9	67	13.4	0.35	92.3	98.4		
Benchmark 1: MSCI ACWI NR USD					*6.5*	*3.6*	*16.2*	*5.7*	*46*	*11.6*	*36*	*6.2*	*42*	*11.8*	*0.49*	*100.0*	*100.0*	*10.1*	*52*
Benchmark 2: MSCI World NR USD					*6.6*	*4.0*	*17.0*	*6.3*	*42*	*11.8*	*35*	*6.6*	*37*	*11.7*	*0.53*	*101.4*	*98.8*	*10.7*	*46*
Number of investments ranked									250		216		187						126
International Large Cap Equity																			
Harding Loevner International Eq Instl	HLMIX	0.81	1.29	ÙÙÙÙ	6.3	4.5	16.6	0.7	39	9.8	12	5.0	2	13.0	0.37	100.8	84.3	9.3	4
MFS® International Value I	MINIX	0.73	1.33	ÙÙÙÙÙ	4.4	4.3	17.0	6.8	1	10.4	8	7.7	1	10.4	0.68	89.9	56.6	11.3	1
Oakmark International Advisor	OAYIX	0.83	2.07	ÙÙÙÙ	7.7	3.4	12.8	-6.4	97	10.6	6	1.5	71	16.5	0.12	122.6	129.1	9.1	4
Sanderson Intl Value Fund					5.5	1.5	10.0	-4.1	90	6.7	81	0.5	91	12.8	0.03	94.6	104.6	7.5	18
Vanguard Developed Markets Index	VTMGX	0.07	2.78	ÙÙÙÙ	5.9	3.3	13.8	0.0	54	8.9	33	2.5	29	12.1	0.19	95.4	93.2	7.0	34
Benchmark 1: MSCI EAFE NR USD					*5.9*	*3.7*	*14.0*	*1.1*	*35*	*9.1*	*22*	*2.2*	*38*	*12.3*	*0.17*	*100.0*	*100.0*	*6.9*	*44*
Benchmark 2: MSCI ACWI Ex USA NR USD					*6.0*	*3.0*	*13.6*	*1.3*	*32*	*9.4*	*16*	*2.2*	*46*	*12.5*	*0.16*	*97.2*	*97.4*	*6.5*	*59*
Number of investments ranked									200		176		150						122
Emerging Markets Equity																			
Baron Emerging Markets Institutional	BEXIX	1.1	0.43	ÙÙÙÙ	5.8	0.3	12.3	0.1	59	8.2	63	2.7	37	13.3	0.19	80.7	78.1		
DFA Emerging Markets Core Equity I	DFCEX	0.52	2.37	ÙÙÙ	5.6	0.9	9.5	1.3	47	9.1	52	2.3	49	15.1	0.16	96.2	96.9	6.3	42
Harding Loevner Emerging Markets	HLEMX	1.4	0.76	ÙÙÙÙ	6.8	1.4	16.2	-1.3	72	9.4	48	2.7	34	15.4	0.19	95.6	94.1	7.2	24
iShares Core MSCI Emerging Markets	IEMG	0.14	2.62	ÙÙÙ	6.1	0.5	10.0	0.6	54	10.1	38	2.3	48	15.5	0.17	97.6	98.2		
Vanguard Emerging Mkts Stock Idx	VEMIX	0.1	2.58	ÙÙÙ	5.6	0.9	12.4	3.5	27	9.4	50	2.3	48	15.4	0.17	99.5	100.1	5.6	59
Benchmark 1: MSCI EM NR USD					*6.2*	*0.6*	*10.6*	*1.2*	*49*	*10.7*	*30*	*2.5*	*42*	*15.8*	*0.17*	*100.0*	*100.0*	*5.8*	*54*
Benchmark 2: FTSE Emerging NR USD					*5.5*	*1.2*	*11.7*	*4.0*	*21*	*10.3*	*36*	*2.9*	*29*	*15.5*	*0.20*	*101.3*	*99.5*	*6.0*	*48*
Number of investments ranked									232		208		174						92

Notes: Return and standard deviation color coded if performance deviates by greater than 1% from the benchmark. Capture ratios color coded when deviating by 10%. Allow +/- 0.01% for extended rounding.

Fixed Income

As of 6/30/2019 Group/Investment	Ticker	Exp Ratio (%)	Yield	Morningstar Rating Overall	MTD Return	QTD Return	YTD Return	1 Year Return	1 Year Peer Rank (%)	3 Years Return	3 Years Peer Rank (%)	5 Years Return	5 Years Peer Rank	5 Years Std Dev	5 Years Sharpe Ratio	5 Years Up Capt. Ratio	5 Years Down Capt. Ratio	10 Years Return	10 Years Peer Rank (%)
U.S. Fixed Income																			
Baird Core Plus Bond Inst	BCOIX	0.3	3.08	ÙÙÙÙ	1.5	3.2	7.0	8.4	7	3.2	5	3.5	4	2.9	0.91	105.5	90.4	5.5	3
Vanguard Interm-Term IG	VFIDX	0.1	3.25	ÙÙÙ	1.7	3.6	7.7	9.6	2	3.1	8	3.6	3	3.1	0.87	110.3	95.7	5.8	3
Benchmark 1: BBgBarc US Agg Bond TR USD					*1.3*	*3.1*	*6.1*	*7.9*	*25*	*2.3*	*43*	*2.9*	*24*	*2.9*	*0.70*	*100.0*	*100.0*	*3.9*	*52*
Benchmark 2: BBgBarc US Credit 5-10 Yr TR USD					*2.3*	*4.4*	*9.9*	*11.3*	*1*	*3.8*	*1*	*4.2*	*1*	*3.8*	*0.86*	*129.6*	*117.6*	*6.5*	*1*
Number of investments ranked									129		115		107						95
Municipal Bonds																			
GCM Breckinridge					0.4	1.5	3.7	5.3	82	1.6	90	2.3	90	2.3	0.58	87.1	74.9		
Vanguard Interm-Term Tx-Ex Adm	VWIUX	0.09	2.78	ÙÙÙÙ	0.4	2.0	4.7	6.4	24	2.3	28	3.3	37	2.7	0.86	114.5	84.2	4.2	36
Benchmark 1: BBgBarc Municipal 5 Yr 4-6 TR USD					*0.6*	*1.7*	*3.8*	*5.2*	*84*	*2.0*	*66*	*2.3*	*90*	*2.3*	*0.61*	*100.0*	*100.0*	*3.2*	*90*
Benchmark 2: BBgBarc Municipal 1-10Y Blend 1-12Y TR					*0.4*	*1.6*	*3.9*	*5.5*	*78*	*2.1*	*58*	*2.6*	*83*	*2.2*	*0.74*	*98.4*	*84.3*	*3.4*	*89*
Number of investments ranked									95		93		83						66

Notes: Return and standard deviation color coded if performance deviates by greater than 1% from the benchmark. Capture ratios color coded when deviating by 10%. Allow +/- 0.01% for extended rounding.

Alternatives

As of 6/30/2019 Group/Investment	Ticker	Exp Ratio (%)	Yield	Morningstar Rating Overall	MTD Return	QTD Return	YTD Return	1 Year Return	1 Year Peer Rank (%)	3 Years Return	3 Years Peer Rank (%)	5 Years Return	5 Years Peer Rank	5 Years Std Dev	5 Years Sharpe Ratio	5 Years Up Capt. Ratio	5 Years Down Capt. Ratio	10 Years Return	10 Years Peer Rank (%)
Diversifying Strategies																			
Angelo Gordon Super Fund					0.2	0.3	2.2	2.4	49										
Benchmark 1: HFRI FOF: Conservative Index					*0.9*	*1.6*	*4.9*	*2.3*	*49*	*3.9*	*34*	*2.2*	*33*	*2.3*	*0.54*	*100.0*	*100.0*	*3.1*	*76*
Benchmark 2: HFRI EH: Multi-Strategy Index					*3.6*	*3.1*	*9.3*	*-0.3*	*77*	*5.3*	*18*	*3.0*	*17*	*6.4*	*0.35*	*190.1*	*234.5*		
Number of investments ranked									110		94		62						22
MLPs																			
Milne FLP Tortoise					3.5	-0.9	17.2	1.2	45	1.0	39	-5.4	40	19.3	-0.24	96.4	91.3	11.1	100
Tortoise MLP & Pipeline Instl	TORIX	0.96	3.95	ÙÙÙÙ	3.6	-0.4	20.7	1.2	43	4.1	4	-3.5	6	19.1	-0.14	96.8	85.3		
Benchmark 1: Alerian MLP TR USD					*2.6*	*0.1*	*17.0*	*3.1*	*23*	*-0.4*	*71*	*-7.2*	*80*	*19.6*	*-0.33*	*100.0*	*100.0*	*8.2*	*100*
Benchmark 2: Russell 3000 TR USD					*7.0*	*4.1*	*18.7*	*9.0*	*4*	*14.0*	*1*	*10.2*	*1*	*12.3*	*0.78*	*71.1*	*23.0*	*14.7*	*1*
Number of investments ranked									31		28		20						2
Real Estate																			
Dreyfus Global Real Estate Securities I	DRLIX	1.05	2.27	ÙÙÙÙ	1.7	0.7	15.4	8.9	31	5.1	62	5.7	34	12.1	0.45	97.1	92.9	10.8	36
Benchmark 1: S&P Global REIT NR USD					*2.0*	*1.3*	*15.5*	*8.8*	*38*	*3.4*	*92*	*5.3*	*47*	*12.3*	*0.41*	*100.0*	*100.0*	*12.2*	*14*
Benchmark 2: FTSE EPRA Nareit Developed NR USD					*1.6*	*-0.1*	*14.5*	*7.7*	*61*	*4.5*	*82*	*4.9*	*56*	*11.9*	*0.38*	*93.2*	*93.9*	*10.6*	*43*
Number of investments ranked									57		52		44						38

Notes: Return and standard deviation color coded if performance deviates by greater than 1% from the benchmark. Capture ratios color coded when deviating by 10%. Allow +/- 0.01% for extended rounding.

Alternatives Fee Analysis

Manager	Expense Ratio (%)
HF Investments International (cl B) [2]	1.25
HF 2 Diversified Ltd. (Class A) [3]	2.50
HF 2 Diversified Ltd. (Class B) [3]	2.50
Domestic Hedge Fund Investors [4]	2.00
PIP III [5]	2.50
PIP IV [5]	2.50
Technology Partners II [6]	2.00
Ventures [7]	1.50
Capital Partners	2.00
Capital Partners II	2.00
V Capital [8]	2.00
R Ventures [9]	2.50
PE Ops IV [10]	2.50
Direct Private Investments	
Asia RE Fund [11]	1.50
RE Fund IV [11]	1.25
RE Fund VI [11]	1.25
Asia RE Fund III [11]	1.25
RE Fund [12]	1.20
RE Fund III [13]	1.50
Energy Partners V [14]	1.75
Energy Partners VI [14]	1.75

Manager	Expense Ratio (%)
F Real Estate Fund II [15]	1.50
F Real Estate Fund III [15]	1.50
F Capital Opportunity Fund	1.50
Real Assets II, LP [16]	0.85
Net Lease RE Fund III [17]	1.50
M Energy Partner [18]	1.25
Private Equity VII [19]	2.70
Private Real Assets [20]	2.00
Private Real Assets II [21]	1.80
X Aviation Partners [22]	1.25
RE Fund X [11]	1.75
CR Exec Fund I [23]	0.00
Custodial Fees (BNY) [24]	*0.06*
Consulting Fees [25]	*0.20*

Footnotes - Alternatives Fee Analysis

2 HF Investments International charges a 1.25% management fee and 20% incentive fee.

3 HF2 Diversified has a 1% management fee. Underlying manager fees are assumed to be 1.5%. A shares also carry a 3% incentive fee. There is no incentive fee for B shares.

4 Domestic Hedge Fund Investors charges a 0.5% management fee. Underlying manager fees are assumed to be 1.5%.

5 Private Investment Partners fees are based upon a 50 basis point (0.5%) management fee. Underlying managers are estimated to have 1.5% (real assets) to 2% (private equity) average management fee.

6 XX charges a management fee of 2% of invested capital.

7 XX charges a management fee of 1.5% of invested capital.

8 XX Capital charges a 2.0% management fee and 20% incentive fee.

9 XX Management fees will be assessed at 2.5% on committed capital during the first five years of the Fund, then management fees will decline by 10% per year thereafter to a minimum of 1.5%.

10 XX Ops IV fee will be assessed at 1% on committed capital during the first four years of the Fund. Thereafter, the management fees will be 75% of the prior year's management fee. Underlying manager fees are assumed to be 1.5%.

11 XX charges for funds IV-VI a management fee of 1.25% of invested capital and 20% incentive fee; for fund VI they also charge a 50 basis point fee on committed capital until it is invested. For X Asia, they charge a management fee of 1.5% of committed capital and 20% incentive fee. X RE X has a management fee of 1.5% of unfunded capital, a 1.75% on funded capital and 20% incentive fee subject to an 8% preferred return and 50% catch-up.

12 XX Value Fund charges a management fee of 1.2% of invested capital and a 15% incentive fee on excess returns above a 10% net IRR.

13 RE Partners III fee will be assessed at 1.5% on committed capital during the commitment period. Thereafter, the fee will drop to 1.5% of net adjusted commitments.

14 Energy Partners V fee will be assessed at 1.75% on committed capital during the investment period. Thereafter, the management fee will equal 1.5% (if an additional fund has closed or the investment period of an additional fund has started) or 1.75% of unreturned capital invested plus unfunded capital commitments.

Footnotes - Alternatives Fee Analysis

15 XX charges a 1.5% management fee and 20% incentive fee. For investors in one or more of the existing Fir Tee Funds, the carried interest on the Real Estate Fund is only 15%.

16 XX fee is 0.85% for the first 5 years. Thereafter, the management fee will amount to 85% of the prior year's management fee.

17 Net Lease RE will be assessed at 1% of funded capital and 0.5% of unfunded capital. There is a 20% incentive fee.

18 XX charges 1.25% on the greater of invested capital or book value up to commitment amount, and 1% on additional amounts (which may exceed the committed capital amount due to retained earnings).

19 Private PE VII: 1% management fee until 5th anniversary of final close and stepping down by 10% through tenth anniversary (avg over life 0.68%) 5% carry after 100% return of contributed capital plus an 8% annual return. Assumes underlying Manager fee of 1.7%.

20 Private Real Assets: 0.85% management fee during commitment period and stepping down by 10% annually thereafter (avg over life 0.52%) 5% carry after 100% return of contributed capital plus an 10% annual return. All-in fees, including underlying manager and Firm management fee and carried interest, are expected to be comparable to a single investment in a GP charging a traditional 2% management fee and 20% carried interest.

21 Private Real Assets: 0.85% management fee until third anniversary and stepping down by 10% annually thereafter (avg over life 0.52%) 7.5% carry after 100% return of contributed capital plus an 10% annual return. All-in fees, including underlying manager and Firm management fee and carried interest, are expected to be comparable to a single investment in a GP charging a traditional 2% management fee and 20% carried interest. Received a 10% discount on management fees for first close.

22 XX : 1.25% on invested capital. 15% carry over an 8% preferred return.

23 XX: The executive fund does not charge a management fee, but does have a 20% carry over an 8% preferred return.

24 Bank XX custody fees are estimated based on the following schedule: 9.0 basis points on 1st $5 million of U.S. Assets 7.0 basis points on next $5 million of U.S. Assets 5.0 basis points on the balance of U.S. Assets.

25 Fee is based on a schedule of 20 basis points for both the Family and FLP accounts.

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Portfolio Liquidity

The portfolio has the following liquidity characteristics as of 7/9/2019:

- 57.1% ($36.5 million) is held in daily liquid investments,
- 17.0% ($10.9 million) is held in semi-liquid investments ranging from monthly liquidity to three-year lock up period (details are on the following page),
- 25.9% ($16.5 million) is held in illiquid partnerships investing in private equity and real assets. Total remaining commitments are $4.4 million to private equity and $2.1 million to real assets.

The size of the **PE FUND II** commitment still has the potential to substantially decrease liquidity in the TIC account.

Over the past six months, the daily liquid portion of the FLP has increased significantly (from 59.6%) while liquidity in the TIC has declined (from 56.6%).

TIC account and FLP liquidity are detailed below:

FLP Only		
Liquidity	**Portfolio %**	**$ Value**
Daily Liquid	70.4%	$18,193,022
Semi Liquid	16.9%	$4,371,090
Illiquid	12.7%	$3,292,060

TIC Only		
Liquidity	**Portfolio %**	**$ Value**
Daily Liquid	52.5%	$12,502,611
Semi Liquid	0.0%	$0
Illiquid	47.5%	$11,316,215

Portfolio Liquidity

Liquidity of semi-liquid funds:

as of : 7/21/2019

Portfolio Name	Fund Name	Inception Date	Book Value for Multiple Investments	Lock-up Period	Lock-up Ends	Liquidity	Liquidity Dates	Days Notice	Redemption Fee	Next Available Liquidity	Next Notification Date	Notes
FLP	Sanderson International Value Fund	1/1/2004		None	N/A	Monthly	First business day	10	GP discression, max 0.5%	7/31/2019	7/21/2019	
Rollover IRA	Fir Tree Capital Opportunity	2/1/2004		Rolling 2-year		Two year Anniversary	Rolling 2-year, based on subscribtion date	60	None	2/1/2020	12/2/2019	Redemption submitted for 2/1/20
FLP	Mercer Domestic Hedge Fund Investors	6/1/2008		1 year	11/1/2010	Quarterly	Last day	100		12/31/2019	9/22/2019	underlying manager pass-through liquidity
Roth IRA	Forester Diversified (A2 shares)	9/1/2010	$2,000,000	2 year	9/1/2012	Annual	Last day investment quarter end	95		9/30/2019	6/27/2019	Redemption submitted for 9/30/19
Roth IRA	Forester Diversified (A3 shares)	1/1/2011 Convert to A3:1/1/17	$500,000	3 year	1/1/2014	Three Year Anniversary	Rolling 3-year, based on subscribtion date	95				25% of investment to be paid quarterly beginning 6/30/19
Roth IRA	Stone Ridge Risk Interval Fund	5/15/2017	$800,000	None		Quarterly	15th Day of January, April, July, and October	7				Redemption submitted. Fund repurchases 5-25% of shares quarterly
Foundation	AG Super Fund, Ltd	7/1/2017	$500,000	3 year	7/1/2020	Three Year Anniversary	Rolling 3-year, other options: 1 yr: 1.5% fee, 2 year: 1.25% fee	90		7/1/2020	3/28/2020	withdrawals in quarterly installments so that withdrawal proceeds payable over a one year period

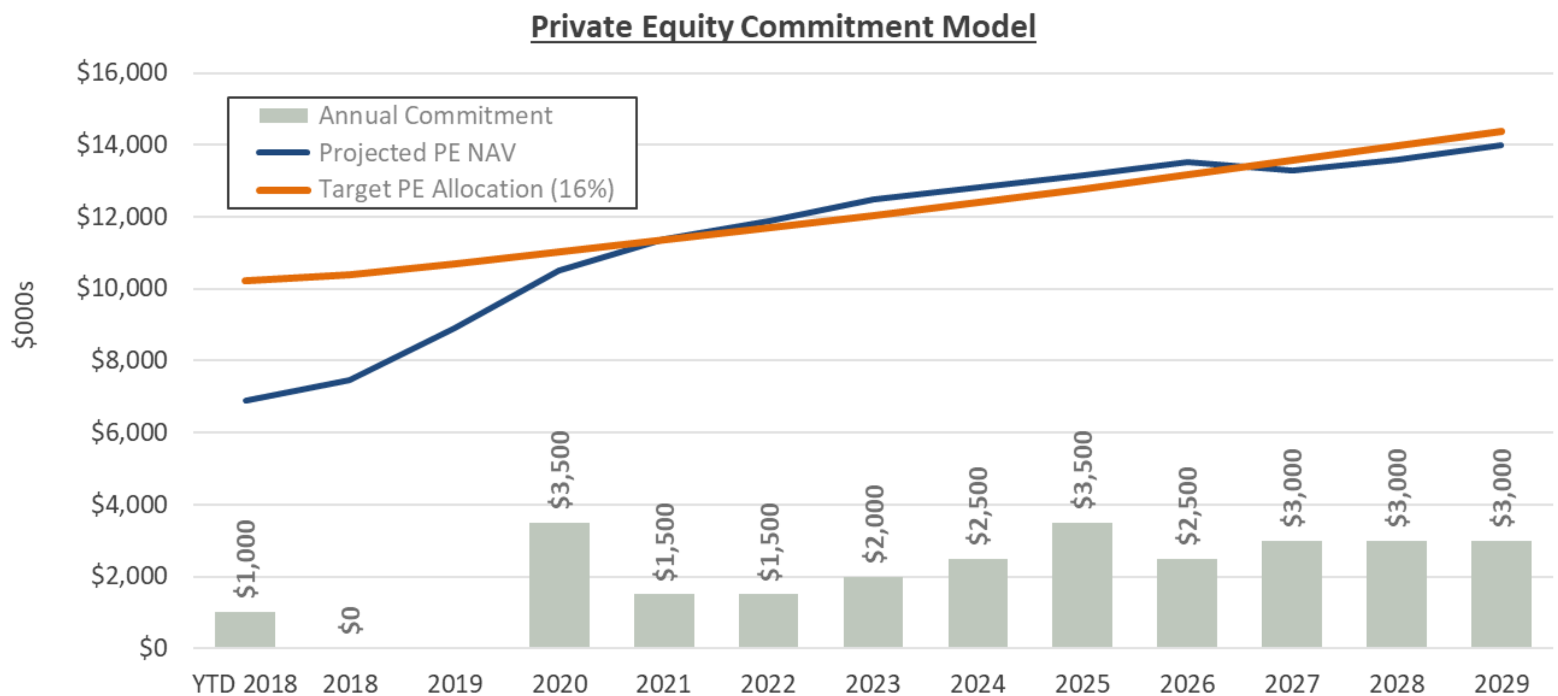
Approximately $175,000 is expected from the first **Forester** quarterly redemption by 7/31/19.

Expected cash flow from illiquid funds:

	Value	Commitment	Capital Called	Remining Commitment	Expected Net Capital Calls Q1	Q2	Q3	Q4	Total 2019
Sunpointe TIC	$9,516,705	$20,419,829	$15,942,292	$5,295,206	$256,750	$84,783	$375,678	$134,783	$851,994
Sunpointe Family FLP	$4,623,032	$8,000,000	$7,691,195	$508,090	-$140,000	-$268,241	-$140,000	-$268,241	-$816,483
Sunpointe Roth IRA	$1,601,616	$4,598,150	$2,538,208	$1,059,942	$125,000	$119,000	$118,000	$5,000	$367,000
Total	$15,741,353	$33,017,979	$26,171,695	$6,863,238	$241,750	-$64,458	$353,678	-$128,458	$402,511

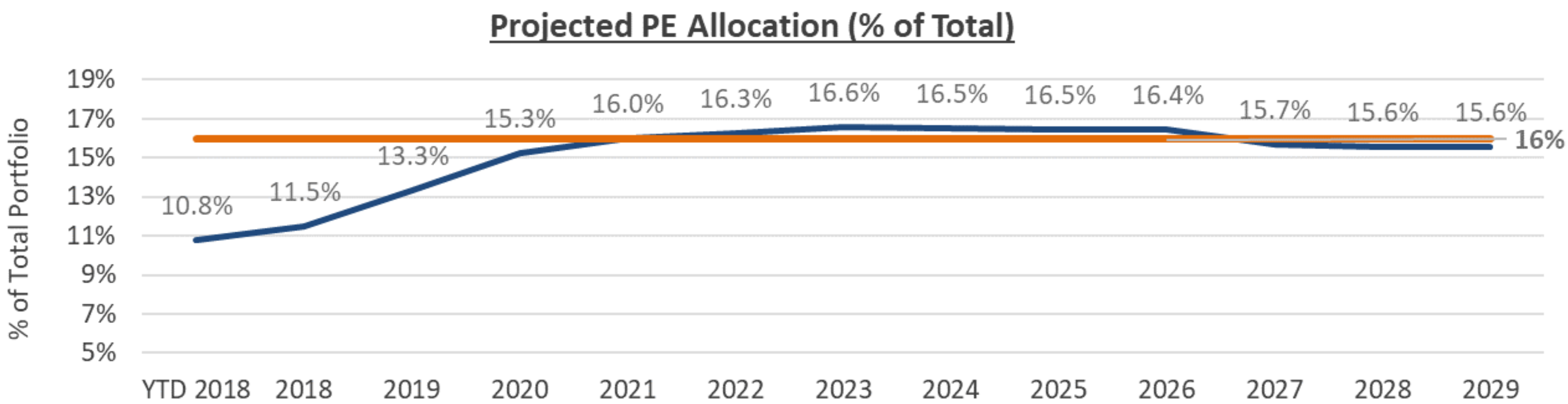
Private Equity Implementation

- Based on the private equity target of 16%, a portfolio value of $64 million, and existing commitments, we recommend not committing to a private equity fund in 2019.
- For 2018, you committed $500,000 to XX Aviation and $1 million to CR Fund I.
- The chart below assumes a $3.5 million commitment to PE S Fund III in 2020 based on our previous discussion. We would not recommend a commitment larger than $2 million for your portfolio.
- Given expected cash flows, it would make sense to make some illiquid commitments in the FLP.



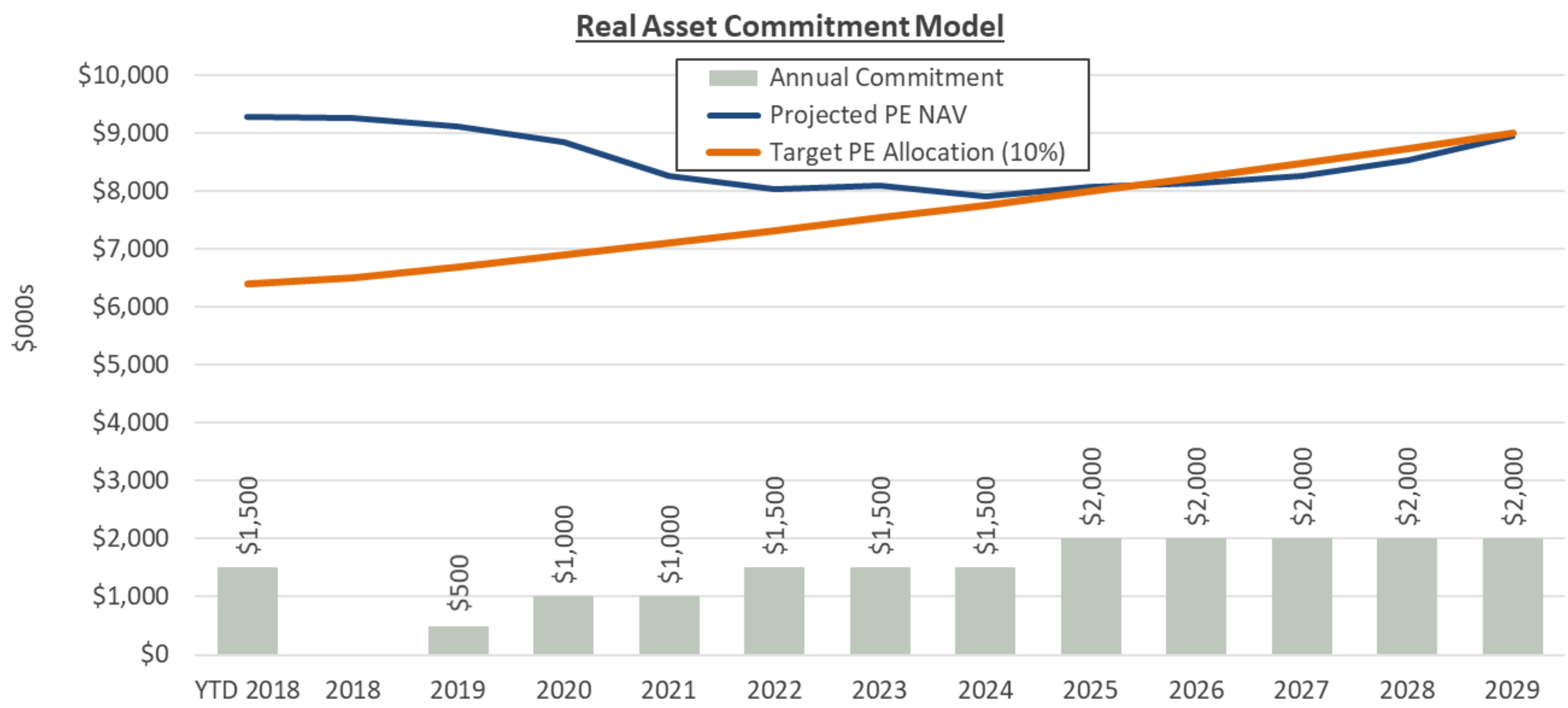
Private Equity Implementation

- The allocation is expected to reach its new, higher target within 3 years as the large PE S commitments work their way through the system.
- We will update this model annually.



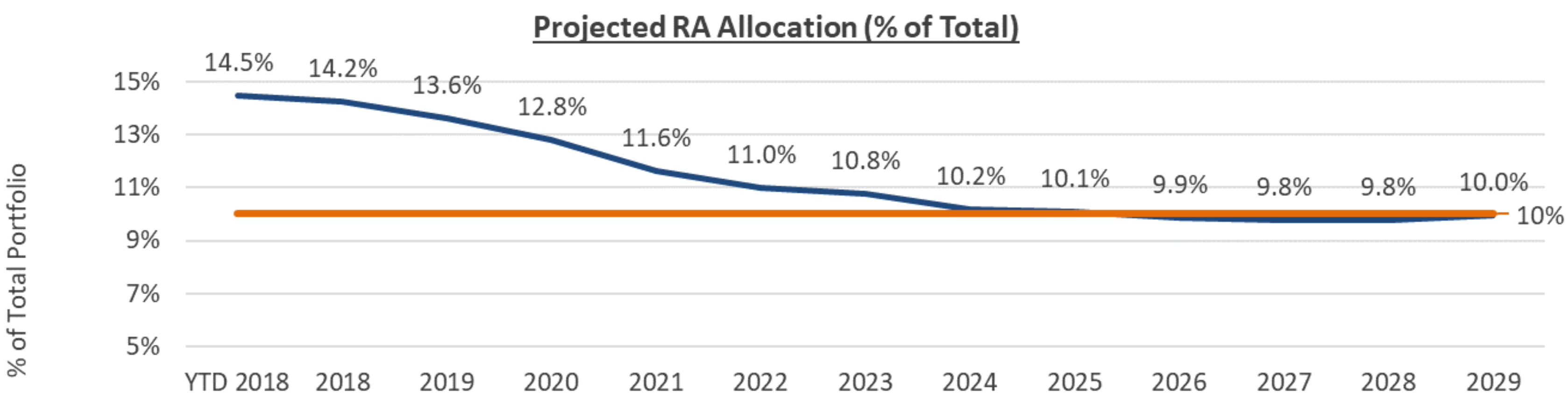
Private Real Asset Implementation

- Based on the lower real asset target of 10%, a portfolio value of $64 million, and existing commitments, we recommend commitments of approximately $1.0 million the next two years.
- For 2018, you committed $1 million to XX RE X and $500,000 to Private Real Assets II. For 2019 you committed $500,000 to **XX Real Estate Opportunity Zone Fund**.
- Given expected cash flows, it would make sense to make some illiquid commitments in the FLP.



Private Real Asset Implementation

- The allocation is currently well above its new, lower target, but is expected to come down near target with distributions and smaller commitments over the next four years.
- We will update this model annually.



Manager Commentary

- Evermore Global
  - Underperformed MSCI ACWI Small Cap by 7.6% for the 12 months ending 6/30/19 but outperformed the index by 4.7% during the second quarter.
  - Value and size were both significant negative factors over the past year.
  - Tracking error is expected as the fund is concentrated and benchmark agnostic.
  - The fund had two holdings down approximately 50% in 4Q18 that are still hurting the 1-year performance.

- Jensen
  - Jensen outperformed the S&P 500 by 5.1% for the 12 months ending 6/30/19 but trailed the index by 1.7% during the second quarter.
  - Quality was a positive factor during the year but negative in 2Q.
  - The fund's concentration (27 stocks) leads to high tracking error versus the benchmark.
  - Over the past year, the fund has benefited from lack of exposure to the energy sector, but lack of exposure to utilities and real estate hurt performance.

Manager Commentary

- WCM Small Cap Growth
  - WCM SC outperformed the Russell 2000 by 8.9% for the 12 months ending 6/30/19 and outperformed the Russell 2000 Growth by 6.1%. During 2Q, WCM outperformed the Russell 2000 by 2.9%.
  - The fund benefited from both its overweight to and stock selection within information technology. The industrial allocation has also contributed to returns while financials have been the largest detractor.
  - Performance is combined with the previous Kennedy account because John Rackers and Chad Hoffman went to WCM last November and we moved the account to WCM at the beginning of February 2019.
- MFS International
  - MFS outperformed MSCI EAFE by 5.8% for the 12 months ending 6/30/19.
  - The fund benefited from its underweight to energy, financial services, and consumer discretionary, and its security selection within industrials and consumer discretionary.
  - Underweight allocation to utilities and healthcare, and security selection within financials, energy, real estate, and healthcare were the largest detractors during the year.
  - Effective June 1, 2019, the name of the MFS International Value Fund changed to MFS International Intrinsic Value Fund. There was no change to the Fund's investment strategy or objective
- Sanderson International
  - Sanderson underperformed MSCI EAFE by 5.2% for the 12 months ending 6/30/19. The fund has a value tilt and underperformed MSCI EAFE Value by 2.1%.
  - Value has been by far the most negative EAFE factor YTD and over the past year.
  - The fund's overweight to financials along with stock selection in consumer discretionary and consumer staples were the largest detractor for the year. The funds overweight to the UK at the expense of continental Europe was also a detractor while its underweight to Japan was a contributor to return. We maintain confidence in the strategy.

Manager Commentary

- **HF 1 Capital Opportunity**
  - HF 1 trailed the HFR Fund of Funds Index by 7.8% for the 12 months ending 6/30/19.
  - Puerto Rico investments and several of the funds yielding investments contributed to returns over the past year but were more than offset by factors noted below.
  - Post-reorg energy investments continue to be the largest detractor. The Funds portfolio level hedges also hurt performance as spreads snapped back with the Feds decision to halt rate hikes.
  - Redemption request has been submitted.

Capital Market Assumptions (February 2018)

2019 Capital Market Assumptions

Asset Class	Representative Index	2018 Arithmetic Expected Return	2019 Arithmetic Expected Return	2019 Standard Deviation	2019 Yield	10 Year Benchmark Return (2009-2018)
Cash	Citi 3-Month Treasury Bills	2.5%	2.5%	0.5%	2.5%	0.4%
Municipal Bonds	Barclays Intermediate Municipal 5-10 Year	3.0%	3.4%	3.8%	2.7%	4.1%
Investment Grade Credit	Barclays U.S. Corporate Investment Grade	3.7%	4.2%	5.5%	4.2%	5.9%
U.S. Core Fixed Income	Barclays U.S. Aggregate	3.4%	3.7%	3.4%	3.3%	3.5%
Non-U.S. Developed Fixed Income	Citi WGBI NonUSD	2.0%	2.5%	9.0%	0.9%	1.3%
Bank Loans	Credit Suisse Leveraged Loan	5.4%	5.6%	5.9%	7.2%	8.3%
High Yield Bonds	Barclays U.S. Corporate High Yield	5.4%	5.7%	9.3%	8.0%	11.1%
Emerging Market Debt	50% JPM EMBI Global / 50% JPM GBI-EM Gbl Div	5.8%	6.4%	9.4%	6.7%	5.7%
Opportunistic Fixed Income	Barclays Universal Bond Index	4.1%	4.1%	5.0%	3.9%	4.1%
Diversifying Strategies	Credit Suisse Managed Futures Liquid	6.5%	5.8%	10.0%	0.0%	1.5%
Tatical Asset Allocation	Custom - HFRI Blended Absolute Return	4.9%	5.0%	7.5%	0.0%	6.6%
Trading Strategies (Equity Long/Short)	HFRI Equity Hedge	5.3%	5.3%	8.7%	0.0%	5.7%
U.S. Large Cap Equity	S&P 500	6.4%	6.7%	14.5%	2.3%	13.1%
U.S. Mid Cap Equity	Wilshire U.S. Mid Cap	7.8%	7.9%	17.4%	1.5%	14.2%
U.S. Small Cap Equity	Wilshire U.S. Small Cap	7.5%	7.6%	19.5%	1.3%	13.9%
Global Equity	MSCI ACWI	6.8%	7.2%	15.4%	2.8%	10.1%
Non-U.S. Developed Equity	MSCI EAFE	6.6%	7.2%	16.5%	3.7%	6.8%
Non-U.S. Developed Small Cap Equity	MSCI EAFE Small Cap	8.0%	8.2%	17.8%	2.9%	10.9%
Emerging Markets Equity	MSCI Emerging Markets	9.5%	10.2%	21.6%	2.9%	8.4%
Covered Call	CBOE S&P 500 Buywrite BXM	6.1%	5.9%	10.6%	1.8%	8.0%
Private Equity	Cambridge U.S. Private Equity	9.4%	12.0%	22.0%	0.0%	10.8%
MLPs	Alerian MLP	9.1%	9.4%	17.3%	8.8%	9.6%
TIPS	Barclays U.S. Treasury TIPS	3.0%	3.1%	5.6%	1.0%	3.6%
Public Core Real Estate	FTSE NAREIT All Equity REITs	6.8%	7.0%	16.8%	4.4%	12.5%
Private Real Estate	NCREIF Property	6.1%	9.0%	17.0%	0.0%	6.4%
Private Debt	Blended Private Debt Index	6.5%	7.4%	7.1%	8.5%	9.0%
Commodities	Bloomberg Commodity	4.0%	4.5%	16.6%	0.0%	-3.8%
Infrastructure	S&P Global Infrastructurre	6.8%	6.9%	11.8%	4.6%	7.6%
Reinsurance	SwissRE Cat Bond	8.1%	6.7%	3.2%	5.9%	7.1%

Compounded/Geometric returns are derived from arithmetic returns and the associated standard deviation.
Source: Sunpointe Investments, Conway Investment Research

2019 Capital Market Assumptions – Correlation Matrix

Asset Class	Cash	Municipal Bonds	Investment Grade Credit	Core Fixed Income	Non-U.S. Developed Fixed Income	Bank Loans	High Yield Bonds	Emerging Market Debt	Opportunistic Fixed Income	Diversifying Strategies	Tactical Asset Allocation	Trading Strategies (Equity L/S)	U.S. Large Cap Equity	U.S. Mid Cap Equity	U.S. Small Cap Equity	Global Equity	Non-U.S. Developed Equity	Non-U.S. Developed Small Cap Equity	Emerging Markets Equity	Private Equity	MLPs	TIPS	Public Core Real Estate	Private Real Estate	Private Debt	Commodities	Infrastructure
Cash	1.00	0.01	-0.14	0.05	0.11	-0.10	-0.12	-0.04	0.02	0.12	0.02	0.05	-0.08	-0.08	-0.08	0.03	0.07	-0.02	0.17	-0.12	0.00	0.06	-0.03	0.24	-0.10	0.15	0.16
Municipal Bonds		1.00	0.57	0.85	0.63	-0.24	-0.02	0.32	0.81	0.19	-0.18	-0.25	-0.22	-0.23	-0.30	-0.16	-0.12	-0.13	-0.05	-0.27	-0.01	0.56	-0.01	-0.35	-0.14	-0.26	0.01
Investment Grade Credit			1.00	0.76	0.65	0.29	0.53	0.67	0.86	0.21	0.33	0.27	0.26	0.30	0.16	0.37	0.39	0.40	0.42	0.23	0.31	0.48	0.38	-0.25	0.41	0.17	0.50
U.S. Core Fixed Income				1.00	0.67	-0.21	0.01	0.34	0.96	0.30	-0.21	-0.27	-0.24	-0.22	-0.30	-0.17	-0.13	-0.13	-0.04	-0.28	-0.04	0.63	0.07	-0.19	-0.11	-0.18	0.07
Non-U.S. Developed Fixed Income					1.00	-0.05	0.21	0.45	0.70	0.27	0.08	0.09	0.09	0.10	0.01	0.23	0.30	0.29	0.32	0.02	0.01	0.49	0.22	-0.11	0.07	0.18	0.44
Bank Loans						1.00	0.92	0.72	0.03	-0.25	0.88	0.76	0.68	0.76	0.66	0.72	0.66	0.69	0.71	0.73	0.64	0.20	0.58	-0.06	0.97	0.57	0.61
High Yield Bonds							1.00	0.85	0.27	-0.17	0.91	0.80	0.74	0.82	0.72	0.81	0.77	0.77	0.80	0.79	0.72	0.29	0.67	-0.15	0.98	0.57	0.74
Emerging Market Debt								1.00	0.56	-0.05	0.73	0.65	0.59	0.65	0.51	0.70	0.68	0.68	0.79	0.56	0.57	0.54	0.60	-0.11	0.80	0.46	0.69
Opportunistic Fixed Income									1.00	0.24	0.04	-0.04	-0.02	0.01	-0.09	0.06	0.08	0.08	0.18	-0.07	0.14	0.69	0.25	-0.19	0.15	-0.02	0.27
Diversifying Strategies										1.00	-0.11	0.00	0.00	0.01	-0.03	0.01	0.02	0.02	0.03	-0.07	-0.04	0.08	0.00	0.03	-0.21	-0.09	0.08
Tactical Asset Allocation											1.00	0.93	0.78	0.86	0.76	0.87	0.85	0.85	0.86	0.81	0.72	0.12	0.57	-0.05	0.93	0.61	0.76
Trading Strategies (Equity L/S)												1.00	0.86	0.91	0.83	0.94	0.93	0.91	0.91	0.85	0.64	0.01	0.55	0.09	0.81	0.63	0.82
U.S. Large Cap Equity													1.00	0.96	0.92	0.95	0.87	0.81	0.76	0.88	0.59	-0.07	0.75	0.21	0.75	0.46	0.81
U.S. Mid Cap Equity														1.00	0.94	0.96	0.90	0.87	0.81	0.91	0.65	0.00	0.77	0.16	0.83	0.54	0.84
U.S. Small Cap Equity															1.00	0.88	0.82	0.79	0.69	0.95	0.56	-0.14	0.78	0.17	0.72	0.42	0.74
Global Equity																1.00	0.98	0.93	0.90	0.87	0.59	0.02	0.71	0.15	0.79	0.56	0.90
Non-U.S. Developed Equity																	1.00	0.96	0.90	0.83	0.53	0.01	0.65	0.14	0.74	0.55	0.90
Non-U.S. Developed Small Cap Equity																		1.00	0.87	0.85	0.49	0.01	0.62	0.08	0.74	0.53	0.83
Emerging Markets Equity																			1.00	0.72	0.55	0.20	0.54	0.03	0.78	0.61	0.84
Private Equity																				1.00	0.56	-0.14	0.73	0.05	0.78	0.41	0.71
MLPs																					1.00	0.23	0.43	-0.07	0.72	0.55	0.59
TIPS																						1.00	0.10	-0.06	0.25	0.28	0.17
Public Core Real Estate																							1.00	0.22	0.65	0.31	0.70
Private Real Estate																								1.00	-0.04	0.19	0.21
Private Debt																									1.00	0.60	0.71
Commodities																										1.00	0.60
Infrastructure																											1.00

Correlation time period is September 2004 to December 2018
Source: Sunpointe Investments, Conway Investment Research

Performance Reports

Monthly Performance Report

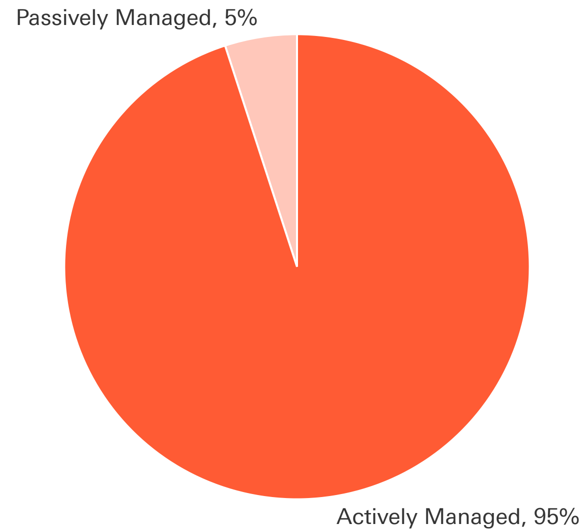
Adam Smith

12-31-2019

Top 10 Fund Holdings

SECURITY	MARKET VALUE ($)	% OF PORTFOLIO
USD	29,154,277.66	32.5%
Panmure House	25,390,999.10	17.2%
Adam Smith Personal Library	10,000,000.00	11.2%
Vanguard Limited-Term Tax Exem…	5,692,460.80	6.4%
Dreyfus High Yld	3,910,058.36	4.4%
Delaware Small Cap Value Fund	2,504,992.00	2.8%
Vanguard Equity Income Fund	2,444,624.00	2.7%
Delaware Select Growth Fund	2,246,619.00	2.5%
PIMCO Investment Grade Corpor…	2,184,000.00	2.4%
Salesforce	1,958,185.60	2.2%
Total	**85,486,216.51**	**84.2%**

Active vs. Passive vs. Factor

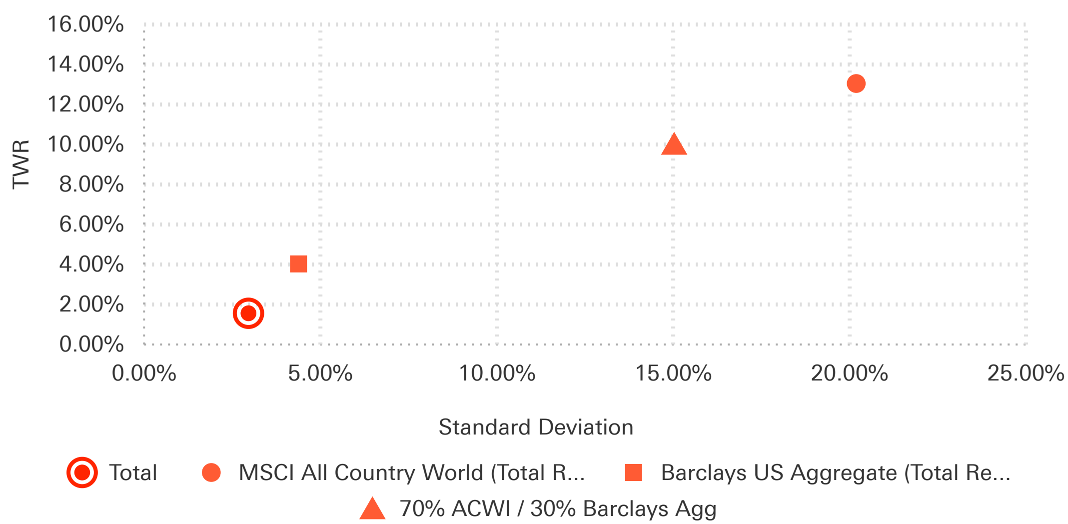


Cash Flows

	LAST MONTH	YTD
Starting Value	$99,301,243.43	$96,107,701.72
Gain/Loss	-	-
Net Income	$0.00	$0.00
Net Cash Flow	$0.00	$21,800.00
Ending Value	$99,469,527.43	$99,469,527.43

Market Value History

7YR Risk VS Return



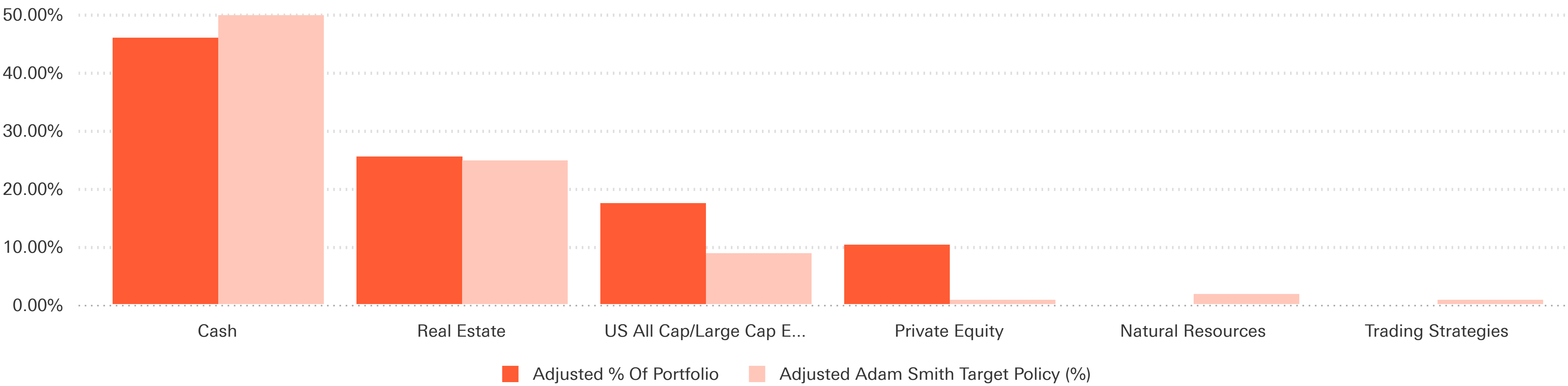
Market Returns

INDEX	1MO (%)	3MO (%)	YTD (%)	1YR (%)	3YR (%)	5YR (%)	7YR (%)	10YR (%)
MSCI All Country World (Total Return)	3.6%	9.1%	27.3%	27.3%	13.0%	9.0%	10.3%	9.4%
S&P 500 (Total Return)	3.0%	9.1%	31.5%	31.5%	15.3%	11.7%	14.7%	13.6%
Russell 3000 (Total Return)	2.9%	9.1%	31.0%	31.0%	14.6%	11.2%	14.4%	13.4%
Russell 1000 (Total Return)	2.9%	9.0%	31.4%	31.4%	15.0%	11.5%	14.6%	13.5%
Russell Mid Cap (Total Return)	2.3%	7.1%	30.5%	30.5%	12.1%	9.3%	13.2%	13.2%
Russell 2500 (Total Return)	2.1%	8.5%	27.8%	27.8%	10.3%	8.9%	12.3%	12.6%
Russell 2000 (Total Return)	2.9%	9.9%	25.5%	25.5%	8.6%	8.2%	11.6%	11.8%
MSCI EAFE (USD) (Total Return)	3.3%	8.2%	22.7%	22.7%	10.1%	6.2%	6.8%	6.0%
MSCI Emerging Markets (Total Return)	7.5%	11.9%	18.9%	18.9%	12.0%	6.0%	3.6%	4.0%
Barclays Global Aggregate (Total Return)	0.6%	0.5%	6.8%	6.8%	4.3%	2.3%	1.3%	2.5%
Barclays US Aggregate (Total Return)	(0.1%)	0.2%	8.7%	8.7%	4.0%	3.0%	2.7%	3.7%
Barclays US Treasury Bills 1-3 Months (Total Return)	0.1%	0.4%	2.2%	2.2%	1.6%	1.0%	0.7%	0.5%
Barclays 1-3 Year Government Bond (Total Return)	0.2%	0.5%	3.6%	3.6%	1.9%	1.4%	1.1%	1.2%
Barclays Municipal Bond 5 Years (4-6) (Total Return)	0.3%	1.0%	5.4%	5.4%	3.4%	2.4%	2.3%	2.9%
HFRI Fund of Funds Composite (Total Return)	1.3%	2.5%	7.8%	7.8%	3.7%	2.2%	3.3%	2.8%
Cambridge Associates US Private Equity	0.0%	0.0%	8.4%	8.4%	12.0%	10.9%	12.3%	13.2%
Alerian MLP (Total Return)	8.5%	(4.1%)	6.6%	6.6%	(4.4%)	(7.0%)	(1.0%)	4.2%
S&P Global Natural Resources Index	5.6%	8.7%	12.6%	12.6%	4.1%	1.2%	(1.3%)	(1.5%)
S&P Global REITs (USD) (Total Return)	(0.1%)	1.1%	24.5%	24.5%	8.8%	6.7%	8.3%	10.5%
NCREIF NPI Returns - National	0.0%	0.0%	4.8%	4.8%	6.2%	7.9%	8.9%	10.0%
Bloomberg Commodity Index	5.0%	4.4%	7.7%	7.7%	(0.9%)	(3.9%)	(6.7%)	(4.7%)
70% ACWI / 30% Barclays Agg	2.4%	6.3%	21.2%	21.2%	10.0%	6.9%	7.7%	7.5%

Adam Smith Accounts

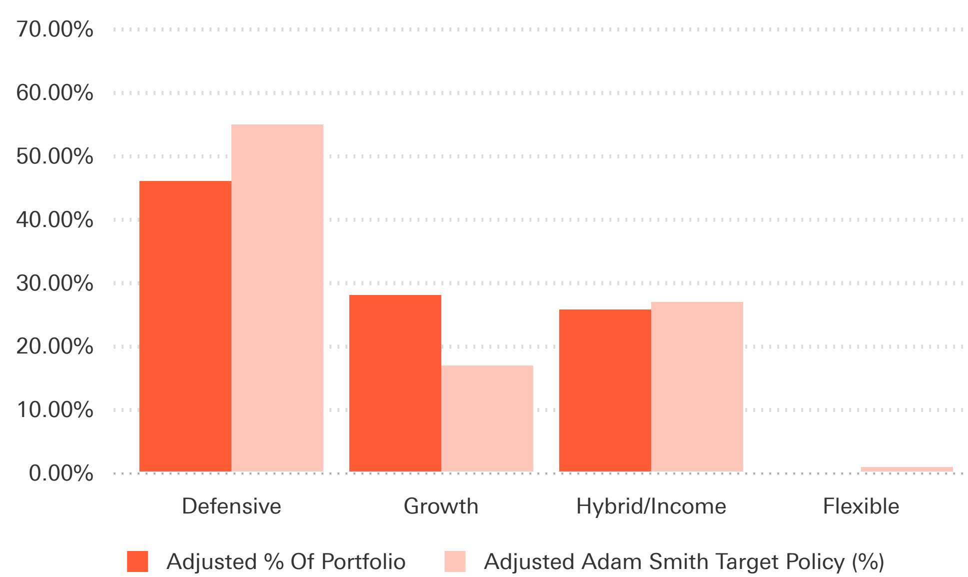
OWNERSHIP STRUCTURE	VALUE
Adam Smith	$99,465,775
Adam Smith Individual Trust	$17,422,591
Fidelity (G897488942)	$16,481,558
Schwab - Shoreline Equity SMA (5800-4522)	$941,033
Adam Smith Irrevocable Trust	$66,350,825
Northern Trust (600751984)	$66,350,825
Invisible Hand Foundation	($425,067)
Invisible Hand Holdings	$0
Wealth of Nations Holdings	($425,067)
Credit Suisse - Core Fund Fund of Funds (4589673)	$0
Pershing (T4A681990)	($425,067)
Offline Holdings	$5,008,514
Directly Owned	$11,108,913
Total	$99,465,775

Sunpointe Asset Class



Risk Level

Strategy



High Level Performance with Benchmarks

RISK LEVEL	VALUE	% OF PORTFOLIO	1MO	3MO	YTD	SINCE INCEPTION
Risk Mitigation Asset	$45,899,879	51.21%	(0.01%)	0.03%	0.95%	0.92%
Defensive	$45,818,316	51.11%	(0.01%)	0.03%	0.95%	0.92%
Cash	$45,818,316	51.11%	(0.01%)	0.03%	0.95%	0.92%
Barclays US Treasury Bills 1-3 Months (Total Return)			*0.12%*	*0.44%*	*2.21%*	*1.33%*
Northern Trust (600751984)	$66,350,825	74.02%	0.00%	0.02%	0.81%	0.85%
USD	($20,532,509)	(22.91%)	0.00%	0.00%	0.00%	0.00%
Flexible	$81,563	0.09%	0.00%	0.00%	0.00%	0.00%
Trading Strategies	$81,563	0.09%	0.00%	0.00%	0.00%	0.00%
HFRI Equity Hedge (Total Return)			*1.61%*	*5.86%*	*13.90%*	*4.64%*
Credit Suisse - Core Fund Fund of Funds (4589673)	$0	0.00%	0.00%	0.00%	0.00%	0.00%
Renaissance Institutional Futures Fund	$31,680	0.04%	0.00%	0.00%	0.00%	0.00%
Winton Futures Fund Ltd.	$49,883	0.06%	0.00%	0.00%	0.00%	0.00%
Risky Asset	$53,565,896	48.79%	0.98%	1.84%	7.11%	4.45%
Growth	$27,924,968	31.32%	1.92%	3.58%	17.95%	5.65%
US All Cap/Large Cap Equity	$17,531,503	19.56%	3.10%	5.82%	21.61%	6.30%
S&P 500 (Total Return)			*3.63%*	*9.07%*	*31.49%*	*9.18%*
Fidelity (G897488942)	$16,481,558	18.39%	2.95%	5.52%	20.68%	5.83%
Schwab - Shoreline Equity SMA (5800-4522)	$941,033	1.05%	5.60%	10.20%	37.63%	36.81%
Fidelity Account PS	$108,913	0.12%	4.40%	15.80%	50.22%	37.40%
Sequoia Global Growth Fund II	$0	0.00%	0.00%	0.00%	0.00%	(100.00%)
Private Equity	$10,393,464	11.76%	0.00%	0.01%	(8.86%)	(6.64%)
Cambridge Associates US Private Equity			*0.00%*	*0.00%*	*8.42%*	*13.41%*
Hybrid/Income	$25,640,928	17.48%	(0.01%)	0.01%	0.05%	0.01%
Natural Resources	$110,135	0.12%	(3.12%)	2.65%	12.61%	(2.29%)
S&P Global Natural Resources Index (Total Return)			*1.56%*	*9.55%*	*17.20%*	*4.82%*
Gold	$25,000	0.03%	0.00%	0.00%	0.00%	0.00%
iShares Silver Trust	$25,725	0.03%	(5.91%)	4.77%	14.88%	(10.12%)
PowerShares DB Agriculture Fund	-	-	-	-	-	-
Powershares DB Base Metals Fund	-	-	-	-	-	-
PowerShares DB Energy Fund	-	-	-	-	-	-
SPDR Gold Trust	$59,411	0.07%	(3.21%)	2.90%	17.86%	(0.59%)
Real Estate	$25,530,793	17.35%	0.00%	0.00%	0.00%	0.03%
S&P Global REITs (USD) (Total Return)			*(1.13%)*	*1.07%*	*24.49%*	*9.20%*
Formation 8	$139,794	0.18%	0.00%	0.00%	0.00%	6.45%
Panmure House	$25,390,999	17.17%	0.00%	0.00%	0.00%	0.00%
Total	$99,465,775	100.00%	0.52%	1.00%	3.78%	1.60%
60% ACWI TR / 40% Barlcays Global Agg TR			*1.16%*	*5.51%*	*18.55%*	-

Private Investments Detail

SUNPOINTE ASSET CLASS	INCEPTION	VALUE	CAPITAL CALLED	DISTRIBUTIONS	IRR	MOC
Private Equity		**$10,393,464**	**$12,643,050**	**$2,276,040**	**0.20%**	**1.00**
Accel Partners V	2008	$67,501	$300,000	$214,843	(1.58%)	0.94
Adam Smith Personal Library	2019	$10,000,000	$10,000,000	$0	0.00%	1.00
Apax Europe VI	2007	$0	$600,000	$513,930	(7.47%)	0.86
aqr rsk bal commodities i	-	$15,850	$26,110	$0	(6.54%)	0.61
Bain Capital VI	2007	$7,307	$300,000	$309,257	1.86%	1.06
Basso Investors	-	$50,000	$50,000	$0	0.00%	1.00
Bessemer Venture Partners V	2008	$124,866	$189,000	$126,517	5.91%	1.33
Bessemer Venture Partners VIII	2008	$0	$300,000	$195,428	(34.34%)	0.65
Castlerigg International Ltd.	-	$28,167	$28,167	$0	0.00%	1.00
Crosslink Capital Crossover Fund V	2004	$0	$500,000	$585,561	4.68%	1.17
Highbridge Statistical Arbitrage	-	$49,860	$49,860	$0	0.00%	1.00
KKR Europe	2005	$0	$250,000	$330,506	7.85%	1.32
Pine River Liquid Mortgage Fund	-	$49,913	$49,913	$0	0.00%	1.00
Total		**$10,393,464**	**$12,643,050**	**$2,276,040**	**0.20%**	**1.00**

Disclaimer

The charts and information in this presentation are for illustrative purposes only, and are based upon sources of information that Sunpointe, LLC generally considers reliable, however we cannot guarantee, nor have we verified, the accuracy of such independent market information. The charts and information, and the sources utilized in the compilation thereof, are subjective in nature and open to interpretation.

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Appendix VI:

Behavioral Finance and the Coronavirus Bear Market

Behavioral Finance and the Coronavirus Bear Market

MICHAEL M. POMPIAN

AQ1 MICHAEL M. POMPIAN
is founder and CIO of Sunpointe Investments in Clayton, MO.
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KEY FINDINGS

- Behavioral finance explains much of how investors behave in panics. This article explains some key biases that should be understood by advisors and clients so they can optimize performance of investment portfolios during market corrections.
- Markets recover relatively quickly from exogenous epidemic events, such as the novel coronavirus that is happening in Q1 2020.
- It is important to stay invested. While short-term volatility may be uncomfortable, it should not cause us to deviate from long-term strategic plans.

ABSTRACT: *On March 11, 2020, COVID-19 was declared global pandemic, and by March 20, US and global equity markets had officially moved into a "bear market" state following losses of more than 20%. Market volatility and repeated days of market loss wreak havoc on the psychology of market participants. The good news is that markets recover relatively quickly from exogenous epidemic events, such as the 2020 novel coronavirus. Despite the discomfort caused by short-term volatility, it is important to stay invested and not to deviate from long-term strategic plans. This article seeks to give some behavioral finance explanations of why this angst is happening and some perspective on bear markets—so that investors can reduce panic and make sound investment decisions.*

TOPICS: ***Behavioral financial, in wealth management, volatility measures****

*All articles are now categorized by topics and subtopics. **View at PM-Research.com.**

With the price action on March 20, 2020, the US and global equity markets moved into a "bear market" (20% or greater loss) due to the novel coronavirus, and all signals are that the United States will have at least one quarter of negative GDP. In just over a month, the market traded off about 35% from its peak on February 19, 2020. The headlines are that Starbucks will close its cafes across the United States, Boeing says its chief executive and chairman will forgo their pay, and more than $8 trillion in shareholder value has been destroyed.

To provide some perspective, in 2019, there wasn't a single daily loss for the S&P 500 in excess of 3%. Over the past 10 trading sessions, there have been losses of −3.4%, −3.0%, −4.6%, −3.4%, and today down nearly 8%. And during the past two weeks, the S&P 500 rose close to 5% and more than 4% in a single day. This means 7 out of the past

11 trading sessions saw losses or gains in excess of 3%. This volatility is wreaking havoc on the psychology of market participants. The purpose of this article is to give some behavioral finance explanations of why this angst is happening and some perspective on bear markets—so that investors can reduce panic and make sound investment decisions.

WHY INVESTORS ARE PANICKING: A MACROECONOMIC BEHAVIORAL PERSPECTIVE

Previously, *Behavioral Finance and Wealth Management* discussed the biases that became apparent in the wake of the popping of the 2000 stock market bubble.[1] Since that time, investors have experienced numerous bouts of volatility including the Global Financial Crisis (GFC) in 2008 and a near-bear market in 2018. Taking a longer-term perspective, over the past 20 years, there have been 10 market corrections (10% down), as seen in Exhibit 1. Of these corrections, only two have turned into bear markets—with the brief correction in Q4 of 2018 almost making it to 20% down.

Investor biases exist in some form or another within all investors. These biases become amplified during significant market declines, such as the one in March 2020. People tend to copy the behavior of others when they are faced with uncertain prospects, and the stock market provides a great example. In fact, the behavior of crowds is often what causes large amounts of volatility in the stock markets—both on the upside and the downside—because everyone wants to get in or out at the same time. During times like the tech stock bubble of the late 1990s or the real estate bubble of the 2000s, investors follow the behavior of other people they believe to be "industry experts" or people deemed prescient by the financial media. This effect is called *herding* and appears to be what is happening now. In these cases, herding behavior causes massive inflows and outflows into a particular asset class, and in effect a tsunami is created. Herding is a reactive phenomenon (i.e., not something that people contemplate to any great degree)—it just happens. When investors herd, they override their common sense and just want to "get in" or "get out" so they don't get left behind. There is an acronym developed recently called "FOMO" or *fear of missing out*. This is classic herding behavior. As others make money (bull market) or lose money (bear market), the investors who are *not* participating follow the crowd because they feel their economic status will fall relative to those who *are* participating. This behavior causes even more of the same behavior, and bubbles begin to form causing irrational asset prices.

EXHIBIT 1
Market Corrections

Start Date	Duration	High	Low	Change
7/17/1998	45 days	1186.75	957.28	–19.3%
7/16/1999	91	1418.78	1247.41	–12.1%
3/24/2000	**929**	**1527.46**	**776.76**	**–49.1%**
11/27/2002	104	938.87	800.73	–14.7
10/9/2007	**517**	**1565.15**	**676.53**	**–56.8%**
4/23/2010	70	1217.28	1022.58	–16.0%
4/29/2011	157	1363.61	1099.23	–19.4%
5/21/2015	96	2130.82	1867.61	–12.4%
11/3/2015	100	2109.79	1829.08	–13.3%
1/26/2018	13	2872.87	2581.00	–10.2%
9/20/2018	95	2930.75	2351.10	–19.8%

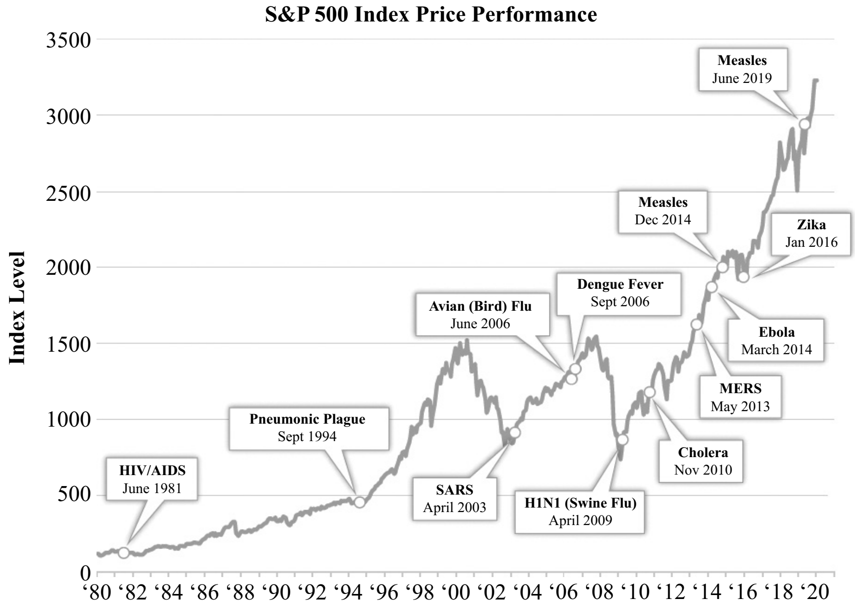
Source: Yardeni Research.

EXPLAINING INDIVIDUAL INVESTOR DECISION MAKING DURING MARKET MELTDOWNS: LOSS AND REGRET AVERSION

Daniel Kahneman and Amos Tversky (K&T) revolutionized our understanding of individual economic decision making. Importantly, K&T discovered that most people are loss averse. They estimated that avoiding loss is approximately two times as powerful as winning. More practically, it would take a win of $50 to compensate for losing $25. Therefore. most people are willing to sacrifice gain to avoid loss, and this concept is known as *loss aversion*. Loss aversion compounds when stock markets are tanking. This concept explains why stocks have such a higher long-term return than bonds. Because stocks are risky, people overpay for bonds (i.e., insurance) because they fear the risk of losses in stocks.

[1] M. Pompian, 2006, *Behavioral Finance and Wealth Management: How to Build Investment Strategies That Account for Investor Biases (Wiley).*

EXHIBIT 2
Market Recoveries from Epidemic Episodes



Epidemic	Date	S&P 500 6-Month % Change	S&P 500 12-Month % Change
HIV/AIDS	June 1981	–6.6%	–16.5%
Pneumonic Plague	Sept 1994	8.2%	26.3%
SARS	April 2003	14.6%	20.8%
Avian (Bird) Flu	June 2006	11.7%	18.4%
Dengue Fever	Sept 2006	6.4%	14.3%
H1N1 (Swine Flu)	April 2009	18.7%	36.0%
Cholera	Nov 2010	13.9%	5.6%
MERS	May 2013	10.7%	18.0%
Ebola	March 2014	5.3%	10.4%
Measles	Dec 2014	0.2%	–0.7%
Zika	Jan 2016	12.0%	17.5%
Measles	June 2019	9.8%	N/A*
Average Price Return		8.8%	13.6%

Observations

- 6-month change of the S&P 500 Index following the start of the epidemic was positive in 11 of the 12 cases, with an average price return of 8.8%.
- 12-month change of the S&P 500 Index following the start of the epidemic was positive in 9 of the 11 cases*, with an average price return of 13.6%.

*Notes: Month-end numbers were used for the 6-month and 12-month percentage change; *12-month data are not available for Measles June 2019.*
Source: Bloomberg, February 24, 2020.

With the market down nearly 20% and the 10-year US bond below 1%, the current situation is key evidence of this concept. In general, people prefer certainty to uncertainty even if the value of the certain choice is less than the value of the uncertain choice. K&T demonstrated that people are willing to make a much larger sacrifice for certain choices versus rational economists who believe that people are willing to make only small sacrifices in exchange for certainty.

Regret aversion is an emotional bias in which people tend to avoid making decisions that will result in action out of fear that the decision will turn out poorly. Simply put, people try to avoid the pain of regret associated with bad decisions. Regret aversion can drive some investors to panic sell at exactly the wrong time; they fear the market will continue its slide and hit the sell button when markets have recently generated sharp losses. When deciding, for example, whether to sell into a market meltdown, investor's instincts indicate the potential for serious regret if the market slides further. When looking at the long run, however, stocks have *always* recovered. Panic selling is almost *always* the wrong course of action.

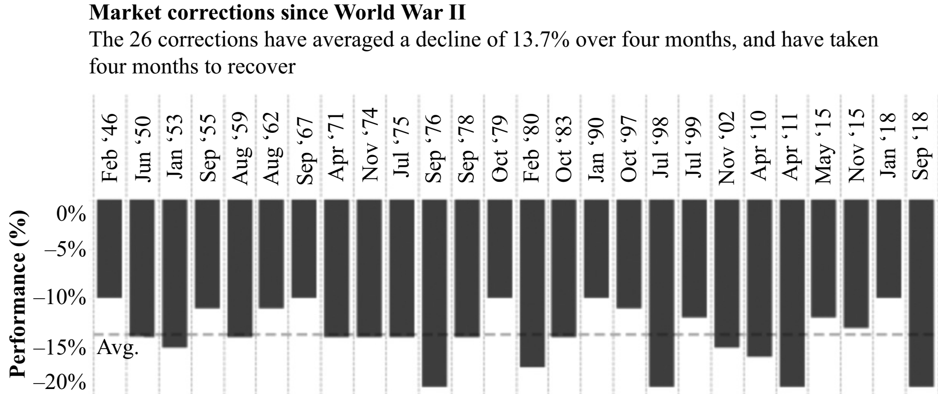
KEEPING THINGS IN PERSPECTIVE: EPIDEMICS AND STOCK MARKET PERFORMANCE

Many factors can impact stock market returns, but one concern of investors today is how the stock market will be impacted by a major epidemic or outbreak. Exhibit 2 depicts the historical performance of the S&P 500 Index during several epidemics over the past 40 years. In sum, this too shall pass. Looking at the market's resiliency through numerous major epidemics gives us perspective on the benefits of investing for the long term.

MARKETS WILL RECOVER

If history is any guide, after the coronavirus scare is over, investors should see a relatively quick recovery in the stock market. As of today's writing, there are numerous actions the federal government plans to do, such as fiscal stimulus. The current legislation's final price appeared sure to far eclipse $1 trillion. In addition, the US Federal Reserve cut rates to zero, similar to the GFC aftermath. At this point, the length of the recession will determine how quickly things recover.

EXHIBIT 3
Market Recoveries since 1946



Sources: Goldman Sachs and CNBC Research.

CONCLUSION

It is easy to have a knee-jerk reaction to market losses. At Sunpointe, our team works with clients to mitigate behavioral biases during the investment process and stay invested during market upheavals such as what is occurring now. In short, Sunpointe helps ensure our clients focus on rebalancing and making sure that their long-term strategic allocations always properly align with their goals and risk tolerance. While short-term volatility may be uncomfortable, it should not cause us to deviate from long-term strategic plans.

ACKNOWLEDGMENTS

The charts and information in this presentation are for illustrative purposes only, and are based upon sources of information that Sunpointe, LLC generally considers reliable. However, we cannot guarantee, nor have we verified, the accuracy of such independent market information. The charts and information, and the sources utilized in the compilation thereof, are subjective in nature and open to interpretation.

ADDITIONAL READING

How Much Is Behavioral Advice Worth?
MICHAEL M. POMPIAN
The Journal of Wealth Management
https://jwm.pm-research.com/content/22/2/10

ABSTRACT: *Behavioral finance is a powerful tool when used effectively by investors and financial advisers. Although this usefulness is generally accepted in theory, the practical value of behavioral advice to investors has not been quantified to a large degree. The article provides a quantitative analysis of behavioral mistakes using a fictional case study of a private family that is making two key behavioral mistakes: loss aversion and mental accounting. First, these biases are explained, with examples. Next, the case study illustrates and quantifies investment losses due to behavioral mistakes. The key conclusion of the case study is that making behavioral mistakes causes investors to forgo returns, and this loss of return can be significant. However, if advisers and investors can recognize and correct behavioral mistakes, recouping or avoiding these gains is possible; these losses are not necessary. In sum, the value of behavioral advice is significant.*

Behavioral Finance Lessons for Asset Managers
MEIR STATMAN
The Journal of Portfolio Management
https://jpm.pm-research.com/content/44/7/135

ABSTRACT: *Typical asset managers operate within standard finance, wherein investors are described as* rational, *or within the first generation of behavioral finance, wherein they are described as* irrational. *Asset managers do well, however, to operate within* *the second generation of behavioral finance, presented briefly here and in detail in the author's book* Finance for Normal People. *That generation describes investors as* normal, *with a wide range of normal wants, such as hope for riches and freedom from the fear of poverty, being true to values, and gaining high social status. Asset managers who enter the second generation of behavioral finance understand the importance* of *marketing in identifying investors' wants, and they understand the importance of educating investors about financial facts and human behavior and helping them avoid errors on the way to satisfying wants.*

Reflections on 25 Years of Behavioral Finance
Brian R. Bruce
The Journal of Investing
https://joi.pm-research.com/content/26/1/131

ABSTRACT: *In finance, academic research on behavior started in the 1980s. The use of behavioral finance concepts in institutional investing took hold in the 1990s. Behavioral concepts guided the creation of models that used earnings expectation data beginning in 1990. It took several more years before behavioral finance started to gain traction with institutional investors. Brian Bruce, founding editor of* The Journal of Investing *and* The Journal of Behavioral Finance, *recounts how the field developed in the early years.*

Pension Consultant Summary Comparison

Current Fees (based on $25M):

Commerce:	**22,500**	.30% of assets ($25M X 30% Allocation X .30) - they also charge $2 per ACH to retirees, which we have 85 per month
Fiduciary Advisors:	**20,000**	Flat Fee
Schwab:	**17,500**	.10% of assets ($25M X 70% Allocation X .10%)
Total Current Costs based on $25M	**60,000**	

Fee Comparison (Based on a $25M Portfolio)

25,000,000

	Advisor's Fee (Flat Fee)	Advisor's Fee (Computed Based on Assets)	Comments	Investment Fee	Total Advisor and Investment Fees	Location of Firm	Location of Advisor	Experience with Govt Plans?	Active, Passive or Both
Fiduciary Advisors	25,000		$25K Advisory Consulting Fee; Investment Expense Ratio 0.1%, Trading Fees $50 per trade	25,000	50,000	St. Louis	St. Louis	(Affton FD, Rock Community FD, High Ridge FD, West County EMS, LMI Aerospace)	Passive
Dahab	$ 28,000	$ -	$28K Advisory Consultant Fee; Investment Expenses, Custody and Brokerage Fees are separate .35%	$ 87,500	115,500	NY, MA, PA, TX, FL	Not sure	57 Public-3 in MO (Berkley PD/FD, N. KC PD/FD, STL FD)	Both
HYAS	38,000	-	$38K Advisory Consultant Fee; Investment Manager is .30%	75,000	113,000	OR	Not sure	Yes, but none in MO (AK RR, Spokane, San Antonio, Central Lincoln, Richmond)	Both
Busey	-	45,000	.18% for Advisory Consultant Fee; Investment Expenses are paid straight to the mutual fund/ETF manager and are usually less than .29%; $0.03/Share commission charge for trades	72,500	117,500	Champaign, IL	St. Louis	(Plumbers & Pipefitters IL, Plumbers 360 IL)	Both but Mostly Passive
Vanguard	-	50,000	.20% for Advisory Consultant Fee; Investment Expense Ratio .05%~.14% (used .10%); additional fee for Trustee Services (pension payments)-.02%~.05%	25,000	75,000	PA and AZ	Not sure	Will provide upon Selection or Request	Both
Plancorp	-	50,000	.20% for Advisory Consulting Fees; Investment Expense Ratio Fees 0.08%~0.21% (used .15%)	37,500	87,500	St. Louis	St. Louis	(Abeles PC MO, Sound Health Services MO, Heptacore MO)	Both but Prefers Passive
Sunpointe	50,000	-	$50K - $200K Advisory Consulting Fee; Investment and Custodial Fees are all separate .35%~.45% (used .20 for Sunpointe and .266% for others)	66,500	116,500	St. Louis	St. Louis	Will provide upon Selection	Both
Colonial	-	55,000	.22% for Advisory Consulting Fee; Investment Fee is same rate; additional charge of .06% if they have signing authority/administrative discretion	55,000	110,000	New York, NY	NY	(Welch Foods, Wistar Institute, Mary Institute, Sacramento Region Found., Jewish Senior	Passive is Superior
DeMarche	60,000	-	$60K for Advisory or Full Discretionary Consulting Fee; No extra charge for travel, additional meetings, etc.; Investment & Custodial Fees are Separate and typically below .70% (used .50%)	125,000	185,000	Merriam, KS	KC area	13 DB Plans (Omaha, St. John's University, Bassett Healthcare, Sisters of St. Francis)	Prefers Active
Graystone	-	62,500	.25% for Advisory Consulting Fee; Investment Expense Ratio 0.3%	75,000	137,500	Peoria, IL	Peoria, IL	425 Public (E. Peoria, Kankakee, Carbondale, Urbana)	Both
Regions	-	62,500	.25% for Advisory Consulting Fee; Investment Fee depending on which Managers are selected and not disclosed	Unknown	Unknown	Birmingham, AL	St. Louis	(Irondale, Shreveport, S. Walton FD, AL WC, LA Citizens Insur., Jefferson Cnty	Both
ACG	65,000	-	$65K for Advisory Consultant Fee; Investment Expenses, Custody and Brokerage Fees are separate .35%~.45% (used .40%)	100,000	165,000	St. Louis	St. Louis	(Clayton, Brentwood PD/FD, Overland, MO County)	Both
Russell	-	87,500	.35% for Advisory Consultant Fee; Investment Management fee is approx. .133%; Custody Fees are .01%	35,750	123,250	Seattle, WA	Chicago, IL	(KC Transport, MO Education, Boynton Beach, Bay Health Foundation, Dechert PA)	Both
UMB	-	87,500	.35% for Advisory Consultant Fee with Min Fee $10,000; Investment Expenses are 0.2~0.3% (used .25%) ($50,000~75,000)	62,500	150,000	Kansas City, MO	St. Louis	Carthage (only one they can give due to Confidentiality)	Both
Commerce	-	87,500	.35% for Advisory Consultant Fee with Min Fee $25,000; Investment Expense Fees are 0.2%~0.4% (used .30%) ($50,000~100,000)	75,000	162,500	St. Louis	St. Louis	(Hazelwood, Ladue, Clayton, Bunge N America MO, ESCO Technologies MO)	Both
PFM	-	92,500	.45% 1st 10M, .35% next $10M, .25% next 30M for Advisory Consultant Fee with Min Fee $20,000; Investment managers' fees 0.27%~0.52% (used .40%) ($67,500~130,000)	100,000	192,500	St. Louis	St. Louis	(MO Public Risk, Walworth Cnty WI, Wyoming MI, Fargo, Bartlett TN)	Both
FCI	-	95,000	.50% 1st $10M, .30% next $25M, and .20% on balance for Advisory Consultant Fee; Expense Ratio Fees are separate .21%	52,500	147,500	Overland Park, KS	St. Louis	(KC PD, Jackson Cnty, Raytown PD, Johnson Cnty College)	Both
TSW	-	100,000	.40% for Advisory Consultant Fees; Investment Management fees depend on the allocation agreed to by the Pension Board	Unknown	Unknown	VA	VA	(STL Carpenters, Pensacola, OH Hwy Patrol, New Hampshire, Chicago Carpenters)	Both