Instructions for Part 2A of Form ADV: Preparing Your Firm Brochure

1. To whom must we deliver a firm brochure? You must give a firm brochure to each client. You must deliver the brochure even if your advisory agreement with the client is oral. See SEC rule 204-3(b) and similar state rules.

If you are registered with the SEC, you are not required to deliver your brochure to either (i) clients who receive only impersonal investment advice from you and who will pay you less than $500 per year or (ii) clients that are SEC-registered investment companies or business development companies (the client must be registered under the Investment Company Act of 1940 or be a business development company as defined in that Act, and the advisory contract must meet the requirements of section 15(c) of that Act). See SEC rule 204-3(c).

Note: Even if you are not required to give a brochure to a client, as a fiduciary you may still be required to provide your clients with similar information, particularly material information about your conflicts of interest and about your disciplinary information. If you are not required to give a client a brochure, you may make any required disclosures to that client by delivery of your brochure or through some other means.

2. When must we deliver a brochure to clients?

- You must give a firm brochure to each client before or at the time you enter into an advisory agreement with that client. See SEC rule 204-3(b) and similar state rules.

- Each year you must (i) deliver, within 120 days of the end of your fiscal year, to each client a free updated brochure that either includes a summary of material changes or is accompanied by a summary of material changes, or (ii) deliver to each client a summary of material changes that includes an offer to provide a copy of the updated brochure and information on how a client may obtain the brochure. See SEC rule 204-3(b) and similar state rules.

- You do not have to deliver an interim amendment to clients unless the amendment includes information in response to Item 9 of Part 2A (disciplinary information). An interim amendment can be in the form of a document describing the material facts relating to the amended disciplinary event. See SEC rule 204-3(b) and similar state rules.

Note: As a fiduciary, you have an ongoing obligation to inform your clients of any material information that could affect the advisory relationship. As a result, between annual updating amendments you must disclose material changes to such information to clients even if those changes do not trigger delivery of an interim amendment. See General Instructions for Part 2 of Form ADV, Instruction 3.

3. May we deliver our brochure electronically? Yes. The SEC has published interpretive guidance on delivering documents electronically, which you can find at <www.sec.gov/rules/concept/33-7288.txt>.

4. When must we update our brochure? You must update your brochure: (i) each year at the time you file your annual updating amendment; and (ii) promptly whenever any information in the brochure becomes materially inaccurate. You are not required to update your brochure between annual amendments solely because the amount of client assets you manage has changed or because your fee schedule has changed. However, if you are updating your brochure for a separate reason in between annual amendments, and the amount of client assets you manage listed in response to Item 4.E or your fee schedule listed in response to Item 5.A has become materially inaccurate, you should update that item(s) as part of the interim amendment. All updates to your brochure must be filed through the IARD system and maintained in your files. See SEC rules 204-1 and 204-2(a)(14) and similar state rules.

5. We are filing our annual updating amendment. The last brochure(s) that we filed does not contain any materially inaccurate information. Do we have to prepare a summary of material changes? No, as long as you
have not filed any interim amendments making material changes to the brochure that you filed with last year’s annual updating amendment. If you do not have to prepare a summary of material changes, you do not have to deliver a summary of material changes or a brochure to your existing clients that year. See SEC rule 204-3(b). If you are a state-registered adviser, you should contact the appropriate state securities authorities to determine whether you must make an annual offer of the brochure.

6. Do we need to include the summary of material changes that we prepare in response to Item 2 with our annual updating amendment filing on IARD? Yes, you need to include the summary in your annual updating amendment. Item 2 permits you to include the summary as part of the brochure (on the cover page or the page immediately following the cover page) or to create a separate document containing the summary. If you include the summary as part of your brochure, the summary will be part of the annual updating amendment filing that you submit on IARD. If your summary of material changes is a separate document, you must attach the summary as an exhibit to your brochure and upload your brochure and the summary together in a single, text-searchable file in Adobe Portable Document Format on IARD for your annual updating amendment.

Note: If you include the summary of material changes in your brochure, and you revise or update your brochure between annual updating amendments, you should consider whether you should update the summary as part of that other-than annual amendment to avoid confusing or misleading clients reading the updated brochure.

7. We have determined that we have no clients to whom we must deliver a brochure. Must we prepare one? No, but see note to Instruction 1 above.

8. May we include a summary of the brochure at the beginning of our brochure? Yes. Although it is not required, you may choose to include a summary of the brochure at the beginning of your brochure. Such summary, however, may not substitute for the summary of material changes required by Item 2 of Part 2A.

9. We offer several advisory services. May we prepare multiple firm brochures? Yes. If you offer substantially different types of advisory services, you may opt to prepare separate brochures so long as each client receives all applicable information about services and fees. Each brochure may omit information that does not apply to the advisory services and fees it describes. For example, your firm brochure sent to your clients who invest only in the United States can omit information about your advisory services and fees relating to offshore investments. See SEC rule 204-3(e) and similar state rules. If you prepare separate brochures you must file each brochure (and any amendments) through the IARD system as required in SEC rules 203-1 and 204-1 and similar state rules.

10. We sponsor a wrap fee program. Is there a different brochure that we need to deliver to our wrap fee clients? Yes. If you sponsor a wrap fee program, you must deliver a wrap fee program brochure to your wrap fee clients. The disclosure requirements for preparing a wrap fee program brochure appear in Part 2A, Appendix 1 of Form ADV. If your entire advisory business is sponsoring wrap fee programs, you do not need to prepare a firm brochure separate from your wrap fee program brochure(s). See SEC rule 204-3(d) and similar state rules.

11. We provide portfolio management services to clients in wrap fee programs that we do not sponsor. Which brochure must we deliver to these clients? You must deliver your brochure prepared in accordance with Part 2A (not Appendix 1) to your wrap fee clients. You also must deliver to these clients any brochure supplements required by Part 2B of Form ADV.

12. May we include information not required by an item in our brochure? Yes. If you include information not required by an item, however, you may not include so much additional information that the required information is obscured.

13. Item 18 requires us to give our clients an audited balance sheet. May any public accountant perform the audit? Your auditor must be independent. Article 2 of SEC Regulation S-X sets out the general rules for auditor
independence. Please note that these requirements may be different from the rules of professional organizations.

14. **We are a new firm. Do we need a brochure?** Yes. Respond to items in Part 2A of Form ADV based on the advisory services you propose to provide and the practices, policies and procedures you propose to adopt.

15. **We are a “separately identifiable department or division” (SID) of a bank. Must our brochure discuss our bank’s general business practices?** No. Information you include in your firm brochure (or in brochure supplements) should be information about you, the SID, and your business practices, rather than general information about your bank.
Instructions for Part 2B of Form ADV: Preparing a Brochure Supplement

1. For which supervised persons must we prepare a brochure supplement? As an initial matter, if you have no clients to whom you must deliver a brochure supplement (see Instruction 2 below), then you need not prepare any brochure supplements. Otherwise, you must prepare a brochure supplement for the following supervised persons:

   (i) Any supervised person who formulates investment advice for a client and has direct client contact; and

   (ii) Any supervised person who has discretionary authority over a client’s assets, even if the supervised person has no direct client contact. See SEC rule 204-3(b)(2) and similar state rules.

   Note: No supplement is required for a supervised person who has no direct client contact and has discretionary authority over a client’s assets only as part of a team. In addition, if discretionary advice is provided by a team comprised of more than five supervised persons, brochure supplements need only be provided for the five supervised persons with the most significant responsibility for the day-to-day discretionary advice provided to the client. See SEC rule 204-3(b) and similar state rules.

2. To whom must we deliver brochure supplements? Are there any exceptions?

   You must deliver to a client the brochure supplements for each supervised person who provides advisory services to that client. However, there are three categories of clients to whom you are not required to deliver supplements. See SEC rule 204-3(c) and similar state rules.

   First, you are not required to deliver supplements to clients to whom you are not required to deliver a firm brochure (or a wrap fee program brochure).

   Second, you are not required to deliver supplements to clients who receive only impersonal investment advice, even if they receive a firm brochure.

   Third, you are not required to deliver supplements to clients who are individuals who would be “qualified clients” of your firm under SEC rule 205-3(d)(1)(iii). Those persons are:

   (i) Any executive officers, directors, trustees, general partners, or persons serving in a similar capacity, of your firm; or

   (ii) Any employees of your firm (other than employees performing solely clerical, secretarial or administrative functions) who, in connection with their regular functions or duties, participate in the investment activities of your firm and have been performing such functions or duties for at least 12 months.

3. When must we deliver a supplement to a client?

   - You must deliver the supplement for a supervised person before or at the time that supervised person begins to provide advisory services to a client.

   - You also must deliver to clients any update to the supplement that amends information in response to Item 3 of Part 2B (disciplinary information). Such an amendment can be in the form of a “sticker” that identifies the information that has become inaccurate and provides the new information and the date of the sticker.

   Note: As a fiduciary, you have a continuing obligation to inform your clients of any material information that could affect the advisory relationship. As a result, between annual updating amendments you must disclose material changes to clients even if those changes do not trigger delivery of an updated supplement.

   You may have a supervised person deliver supplements (including his own) on your behalf. Furthermore, if you are an SEC-registered adviser, you not required to file brochure supplements or updates, but you must maintain copies of them. See Instruction 5 of SEC General Instructions for Part 2 of Form ADV.
4. **When must we update brochure supplements?** You must update brochure supplements promptly whenever any information in them becomes materially inaccurate.

5. **May we deliver brochure supplements electronically?** Yes. You may deliver supplements using electronic media. The SEC has published interpretive guidance on delivering documents electronically, which you can find at <www.sec.gov/rules/concept/33-7288.txt>. If you deliver a supplement electronically, you may disclose in that supplement that the supervised person has a disciplinary event and provide a hyperlink to either the BrokerCheck or the IAPD systems.

6. **Must brochure supplements be separate documents?** No. If your firm brochure includes all the information required in a brochure supplement, you do not need a separate supplement. Smaller firms with just a few supervised persons may find it easier to include all supplement information in their firm brochure, while larger firms may prefer to use a firm brochure and separate supplements. If supplement information is included in the firm brochure, however, the supplements must be included at the end of the brochure. In addition, each supplement must follow the same order as the supplement items listed in Part 2B, and contain the same headings.

   You may prepare supplements for groups of supervised persons. A group supplement, or a firm brochure presenting supplement information about supervised persons, must present information in a separate section for each supervised person.

7. **Must an adviser who is a sole proprietor provide his own brochure supplement to clients?** No, if that information is included in the firm brochure.

8. **May we include information not required by an item in a brochure supplement?** Yes. If you include information not required by an item, however, you may not include so much additional information that the required information is obscured.

9. **Are we required to file the brochure supplements?** If you are registered or are registering with the SEC, you are not required to file your brochure supplements, but you are required to maintain copies of all supplements and amendments to supplements in your files. See SEC rule 204-2(a)(14)(i). If you are registered or are registering with one or more state securities authorities, you must file through IARD a copy of the brochure supplement for each supervised person doing business in that state.