

## Item 1 - Cover Page

# ADV Part 2A

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This Brochure provides information about the qualifications and business practices of Wiley Bros. - Aintree Capital, LLC, referred to herein as (Wiley, our, us or we). When we use the words “you”, “your” and “client” we are referring to you as our client or our prospective client. We use the term “IAR” when referring to all individuals providing investment advice on our behalf. If you have any questions about the contents of this Brochure, please contact us at 615-255-6431. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Wiley is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by Wiley, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain Wiley as your adviser. 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 Wiley is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with, registered, and required to be registered, as investment adviser representatives of Wiley.

## **Item 2 - Material Changes**

There are material changes to this brochure. Several subadvisor relationships have been removed and additional information concerning conflicts of interest have been added. Additionally, we have added an Appendix 1 – Wrap Fee Brochure to the brochure since our last delivery or posting of the Brochure on the SEC's public disclosure website (IARD) [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov), effective as of March 31, 2017. This brochure also includes some minor editorial changes and updated information on our assets under management.

Currently, our Brochure may be requested by contacting Cindy Star at 615-255-6431. Our Brochure is also available on our web site: <http://www.wileybros.com> or <http://www.aintreecap.com>, free of charge.

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## **Item 4 - Advisory Business**

### ***Ownership***

The principal beneficial owners of Wiley are David Patterson, Jr. and David Wiley, III. Wiley has been in the financial service industry since 1945 through successor companies, and has been registered with the SEC since 1990.

### ***Assets Under Management***

As of December 31, 2016, Wiley managed \$113,318,578 in client assets on a discretionary basis and \$124,318,334 on a non-discretionary basis.

### ***Investment Products***

Wiley will recommend various investments to clients based upon a review of each client's investment needs. These investments will primarily consist of:

- Equity securities (exchange-listed, over the counter, foreign issuers)
- Warrants
- Corporate debt securities
- Commercial paper
- Certificates of deposits
- Municipal securities
- Investment Company Securities (variable life insurance, variable annuities, mutual fund shares)
- United States government securities
- Option contracts on securities
- Interests in partnerships investing in real estate, oil and gas and others
- Exchange traded funds and exchange traded notes

Wiley occasionally offers investment advice relating to interests in limited partnerships raising money for acquisition of small local companies.

### ***Advisory Programs***

Wiley sponsors the investment advisory programs set forth below to address the investment needs of its clients.

#### ***Discretionary Advisory Program***

Wiley provides discretionary investment advisory services to some of its clients through a managed account program ("Discretionary Advisory Program"). Through the Discretionary Advisory Program, Wiley manages the investment and reinvestment of the clients' portfolio assets on a discretionary basis. Wiley will obtain a client profile from each client in order to determine how to advise clients on the assets in the account.

When the IARs manage on the advisory platform, and when agreed to in the client agreement, they may charge a cents per share or a transaction fee, in addition to the annual fee, to cover brokerage charges assessed to the IAR. This creates a conflict of interest. The firm monitors the activities of these IARs to confirm that the portfolio holdings are consistent with the investment objectives of the client and that the IARs trading activity is consistent with his fiduciary duty to the client.

#### ***Non-Discretionary Advisory Program***

Wiley provides non-discretionary investment advisory services to some of its clients through a managed account program (“Non-Discretionary Advisory Program”). Through the Non-Discretionary Advisory Program, Wiley manages the investment and reinvestment of the clients’ portfolio assets on a non-discretionary basis. Wiley will obtain a client profile from each client in order to determine how to advise clients on the assets in the account.

When the IARs manage on the advisory platform, and when agreed to in the client agreement, they may charge a cents per share or a transaction fee, in addition to the annual fee, to cover brokerage charges assessed to the IAR. This creates a conflict of interest. The firm monitors the activities of these IARs to confirm that the portfolio holdings are consistent with the investment objectives of the client and that the IARs trading activity is consistent with his fiduciary duty to the client. This conflict is not as profound with respect to the non-discretionary advisory program as the client approves all transactions prior to execution.

#### ***Aintree Asset Management***

The Aintree Asset Management group (“AAM”) is a division of Wiley which provides its advisory clients a team approach with respect to the management of their investment portfolios. AAM manages proprietary, tax efficient and wealth preservation strategies for high net worth individuals and families. The investment products include equity and bond asset allocation strategies, separately managed municipal and corporate bond portfolios, Pershing/Lockwood Advisors, vetted long only managers, hedge fund strategies and technical trading strategies. AAM also partners with a number of outside managers to offer a full complement of investment strategies that meet the financial goals of the next generation of sophisticated investors.

#### ***Managed Account Command Program (Command/Lockwood)***

Wiley provides investment advisory services to some of its clients through a managed account program referred to as the Managed Account Command Program. Wiley will assist client in determining the suitability of the program for the client. The IAR is compensated through a comprehensive fee, up to 3% annually. From this fee, Lockwood platform charges and manager charges are deducted, both of which vary based on AUM and/or each individual investment manager and strategy. For more information on these costs please contact your IAR. However, the account may be assessed other charges associated with conducting a brokerage business, including charges imposed by third parties. These charges may include service charges, transaction fees (flat fees or cents per share), paper confirmation and statement fees, fees related to provision of performance reports, 12b-1 fees, ticket charges, postage and handling fees, transfer fees and other direct out-of-pocket expenses. Wiley will recommend an investment management firm participating in the program that Wiley determines is most appropriate to provide investment

management services to clients participating in the program.

### ***1042 Consulting***

Wiley provides discretionary investment advisory services for some of its clients who desire assistance with establishing a strategy and executing that strategy relating to the acquisition and management of an investment portfolio of Qualified Replacement Property (QRP) in accordance with Internal Revenue Code Section 1042. Wiley assists clients seeking such a strategy with identifying qualifying securities to purchase, determining financing, if needed, for purchasing QRP, and providing ancillary services such as coordinating and negotiating with various financial and investment firms and other third parties in connection with the acquisition of QRP, and preparing statements of purchases and summary reconciliations to assist clients with administrative requirements.

With respect to the 1042 Consulting program, Wiley charges a fee for the services plus brokerage commissions if a securities account is established by the client with Wiley. Wiley will also be entitled to reimbursement from client for all costs and expenses (including taxes) incurred by Wiley in providing its investment advisory services to clients.

### ***Private Manager Program***

Wiley provides client access to third party investment managers for the discretionary management of client accounts (“Private Manager Program”), and to this end Wiley has entered into advisory agreements with third party registered investment advisers (“sub-advisors”) to offer the money management and advisory services to clients of Wiley. Under these agreements, between .30% and 1.25% of the fees paid to Wiley will be shared with the respective manager. Wiley performs regular due diligence reviews on the respective managers and the executed agreements are on file for these arrangements. Additional information regarding these advisory arrangements will be disclosed by Wiley at or before the time the clients execute client agreements by delivery of the Form ADV Part 2A for Wiley and the respective manager.

### ***Participating Private Managers***

*InterOcean Capital, LLC.* InterOcean Capital, LLC (IOC), is an investment adviser who participates in the Private Manager Program. IOC receives a fee and Wiley receives a fee. When agreed to in the client agreement, client may be charged a cents per share or a transaction fee, in addition to the annual fee, to cover brokerage charges assessed to the IAR. Client may also be charged ticket charges per transaction as well as postage and handling fee. The cost of brokerage commissions or fees on transactions executed away from Wiley shall be borne by the client. Client is referred to IOC’s Form ADV Part 2A for a complete discussion and disclosure regarding its programs and fees.

*CCM Investment Advisers.* CCM Investment (“CCM”) is an investment adviser who participates in the Private Manager Program. CCM provides discretionary advisory services. CCM receives a fee and Wiley receives a fee. Client may also be charged ticket charges per transaction as well as postage and handling fee. The cost of brokerage commissions or fees on



transactions executed away from Wiley shall be borne by the client. Client is referred to CCM's Form ADV Part 2 A – Appendix 1 Wrap Brochure for a complete discussion and disclosure regarding its programs and fees.

*Prime Solutions.* Prime Solutions Financial Services Corporation (“Prime Solutions”) is an investment adviser who participates in the Private Manager Program. Prime Solutions provides discretionary services. Prime Solutions receives a fee and Wiley receives a fee. Client may also be charged ticket charges per transaction as well as postage and handling fees. The cost of brokerage commissions or fees on transactions executed away from Wiley shall be borne by the client. Client is referred to Prime Solutions' Form ADV Part 2A – Appendix 1 Wrap Brochure for a complete discussion and disclosure regarding its programs and fees.

*Vanderbilt Avenue Asset Management (VAAM)* is an investment adviser who participates in the Private Manager Program. VAAM provides discretionary advisory services. VAAM receives a fee and Wiley receives a fee. Client may also be charged ticket charges per transaction as well as postage and handling fees for the delivery of statements and confirmations. The cost of brokerage commissions or fees on transactions executed away from Wiley shall be borne by the client. Client is referred to VAAM's Form ADV Part 2A – Appendix 1 Wrap Brochure for a complete discussion and disclosure regarding its programs and fees.

*Delta Asset Management (DAM)* is an investment adviser who participates in the Private Manager Program. DAM provides discretionary advisory services. DAM receives a fee and Wiley receives a fee. Client may also be charged ticket charges per transaction as well as postage and handling fees for the delivery of statements and confirmations. The cost of brokerage commissions or fees on transactions executed away from Wiley shall be borne by the client. Client is referred to DAM's Form ADV Part 2A – Appendix 1 Wrap Brochure for a complete discussion and disclosure regarding its programs and fees

### **Portfolio Manager Selection**

You have the option to select a portfolio manager on which Wiley has performed due diligence, select a portfolio manager that has not been reviewed by Wiley, utilize a third-party portfolio manager program or allow the IAR to manage your portfolio on a discretionary or non-discretionary basis. Other than the diligence steps we take for managers we recommend as described below, we assume no responsibility for the selection of the portfolio manager or the suitability of the recommendations made by a portfolio manager.

### **Third Party Portfolio Manager Selection**

Managers are generally selected utilizing one of three standards or methodologies. One is by manager recommendations from trusted industry professionals for different assets models/investment styles that meet client objectives and goals.

The second is by screening various managers with whom our advisory representatives are familiar. The managers are screened based on various characteristics, including, but not limited to, investment style, performance and risk. Due diligence information is gathered and reviewed.

The third methodology is through the utilization of other manager selection platforms that are provided by third party service providers, including Lockwood. For complete details regarding the investment philosophy and methodology used by these firms, you should refer to Form ADV and/or other disclosure documentation which is made available by the respective firm. Third party managers provided through Lockwood are periodically reviewed and evaluated by Wiley and subsequent due diligence information is gathered from the respective firms

Third party managers are subjected to annual due diligence reviews which focus on material changes with respect to their disclosures, disciplinary history and investment styles and objectives.

### **Performance Review**

Neither Wiley nor a third-party reviews the portfolio and or sub-manager performance information to determine or verify its accuracy or its compliance with presentation standards. Additionally, you should be aware that performance information may not be calculated on a uniform and consistent basis.

### **General Program Disclosure**

The various advisory programs and the Private Manager Program may cost the client more than purchasing advisory services, transaction execution services and access to private manager advisory services separately. The factors that can bear upon the relative cost of the service or program include the cost of the services if provided separately, the trading activity in the client's account which results from client investment objectives and type of securities that are invested in.

### **Information about Fees**

Wiley will generally assess advisory clients a negotiable fee that may consist of: (1) an advisory fee, based on a specified percentage of the client's assets under management; and sub advisor may assess a second component consisting of (a) investment management fee, based on a specified percentage of the client's assets under management; and (b) performance fees, based on the performance of each sub-advisor selected by a client relative to the stated benchmark index.

See the section entitled " Item 6 - Performance-Based Fees and Side-By-Side Management " for additional important information about the Third-Party Manager Advisory Program and applicable fees.

### **Advisory Representative Disclosure**

In addition to Wiley, the investment advisor representative affiliated with Wiley (IAR) who recommends the advisory program to the client receives compensation as a result of the client's participation in the program. The amount of this compensation can be more than what the IAR would receive if the client participated in our other programs or paid separately for investment advice, brokerage, and other services. Therefore, IARs may have a financial incentive to recommend the advisory program over other programs or services. Notwithstanding that, the policies and procedures attempt to mitigate this conflict of interest through the annual review of

advisory accounts. IARs are required to complete a suitability form which details the additional services and attention which is given to an account over and above any transactions.

### ***Other Advisory Services***

#### ***Overview***

Wiley may also recommend specific asset allocation targets for individual clients and offer the following advisory services:

- Investment Supervisory Services
- Portfolio management for individuals and/or small businesses
- Portfolio management for businesses (other than small businesses) or institutional clients (other than registered investment companies and other pooled investment vehicles)
- Management of Investment Advisory Accounts Not Involving Investment Supervisory Services
- Portfolio Manager Selection
- Furnish Advice Not Involving Securities
- Financial planning services
- Pension consulting services
- Research Report Services

#### ***Investment Supervisory Services***

Wiley will recommend various investments to clients based upon a review of each client's investment needs. These investments will primarily consist of equity securities and corporate debt securities, but may also include warrants, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual fund shares), United States government securities, option contracts on securities, floating rate notes, and partnership interests. Wiley may also recommend specific asset allocation targets for individual clients.

#### ***Provide Advice Not Involving Securities***

Wiley's financial planning services described above may include advice to individual clients relating to non-securities matters such as savings plans, spending habits, etc.

#### ***Financial Planning***

Wiley also provides financial advisory services to certain clients, including general financial planning and investment planning.

#### ***Pension Consulting Services***

Wiley represents various pension plans to provide educational materials to eligible participants regarding plan participation. The financial advisor provides information and educational materials to eligible participants about the benefits of the plan, which include:

- Contributions,
- Withdrawals,

- Terms of the plan,
- Objectives,
- Risk and return characteristics; and
- Other material information.

General financial and investment concepts are taught as well as assisting in determining future retirement needs.

### ***Research Report Services***

A related person of Wiley prepares a weekly market commentary and generally charges a fee of \$500.00 a month for this service. This report is technical in nature and the firm does not advertise the availability of this report.

### ***Consulting***

Wiley provides advice on the investments of the clients held by Wiley, as well as those accounts held outside of Wiley. Advice is based on client's needs, objectives and instructions, and can include advice on the selection of independent investment managers who will also provide investment management services regarding specific investments.

### ***Investment Objectives***

The clients' investment objectives are initially determined based on financial information furnished by the clients together with consultation between the clients and the IAR. Copies of the financial information and the investment objectives are furnished to the selected investment managers if requested by the client.

### ***Termination***

Generally, the relationship between Wiley and its clients can be terminated by either party upon 30 days written notice. Notwithstanding the above, if the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with the investment adviser, then the client has the right to terminate the contract, without a penalty, within five business days after entering into the contract. For terminations made after the first five business days, the prepaid advisory fee will be refunded on a prorated basis. The Client will be entitled to a pro-rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after termination.

### ***Education***

Our advisory personnel are expected to have education and business backgrounds that enable them to perform their respective responsibilities effectively. In assigning responsibilities, we consider academic background (including studies in college and graduate schools, as well as degrees earned), industry training, licenses and certifications. Work experience in a related field, such as investments, commodities, insurance, banking or accounting, is also considered. No formal, specific standards have been set, but appropriate education and experience are required. See Form ADV Part 2B Brochure Supplement for additional information on each IAR.

## Item 5 - Fees and Compensation

### *Fee Types*

Based on the services provided, we are compensated for investment services by the following means:

- A percentage of assets under management
- Hourly charges
- Subscription fees (for a newspaper or periodical)
- Fixed fees (other than subscription fees)
- Commissions
- Transaction Fees
- 12b-1 Fees
- Performance based fees

### *Fee Schedule*

Although many fees are individually negotiated, some common fees are included on our fee schedule for your review and described further below:

Fee Schedule		
Fee Type	Fee Cost	When Charged
Advisory Fee	<p>The client shall pay an advisory fee based on a percentage of assets, with a cap of 3.0% of assets under management annually.</p> <p>Other fees associated with conducting a brokerage business may also be charged. These fees include service charges, transaction fees (flat fees or cents per share), paper confirmation fees, fees related to provision of performance reports, 12b-1 fees, ticket charges, postage and handling fees, transfer fees and other direct out-of-pocket expenses. The amount of assets in the Client Account each month for monthly billing shall be based on the values of the assets on the last trading day of the preceding month. The amount of assets in the Client Account each quarter for quarterly billing shall be based on the value of the assets on the last trading day of the preceding quarter. Fees are negotiable at the discretion of the IAR, which can result in different fees being charged for accounts similar in makeup and objectives.</p>	<p>This fee shall generally be paid in advance on a monthly or quarterly basis as selected by the client and advisor.</p>

Financial Planning Fee	These services are billed at an hourly rate or as a fixed fee as agreed upon with client. Wiley may waive its fee in its sole discretion. An initial deposit for the minimum time available, one hour, may be required upon the engagement by the advisory client. The remaining fee is payable upon delivery of the financial plan to client.	As agreed
1042 Consulting Fee	These services are billed at a fee as agreed upon with client. In addition, brokerage commissions may be charged in the event the client establishes an account with Wiley to purchase securities.	As agreed
Research Report Services Fee	A related person of Wiley prepares a weekly Market Commentary and generally charges a fee of \$500.00 a month for this service.	As agreed
Pension Plan Educational Services	The fees paid are in an amount not to exceed 3.0% multiplied by the market value of the plan assets as of the last day of the preceding quarter. The fees for this service are paid to Wiley by the plan sponsor and are generally paid quarterly in advance.	Fees are paid quarterly
Consulting	Negotiated	Fees are paid as negotiated
Brokerage Fees	See Item 14 - Client Referrals and Other Compensation for information regarding brokerage fees.	

Transaction fees, service charges, (includes ticket charges, fees for provision of reports brokerage commissions, mark-ups, mark-downs, odd-lot differentials, stock exchange fees, credits, and/or dealer spreads, other out-of-pocket costs)	Generally commissions paid are in an amount up to \$0.09 /share for equity transactions and/or up to \$90 per transaction for equity option, and mutual fund transactions. In rare cases, bonds are purchased as principal with a mark-up, in which case written disclosure is made and client consent is obtained prior to the transaction. Bonds are primarily purchased on an agency basis with no commission. A general range is provided for transaction fees as fees may vary from client to client due to the particular circumstances of the client, additional or differing levels of servicing, or as otherwise contractually agreed upon with specific clients. Wiley will receive transaction based compensation from clients from such transactions. Wiley charges a \$6.85 service charge for each transaction (exclusive of Pershing confirmation charge) and may also receive a ticket/clearing charge. Additionally, Pershing charges advisory clients who elect to receive paper confirmations, \$0.75 per transaction, which results in the service charge set out above to be \$7.60 per transaction. Employee related accounts generally pay transaction fee rates that are lower than other clients. Transfer taxes or other charges mandated by law will be separately charged to the client's account. See Item 14 - Client Referrals and Other Compensation for information regarding brokerage fees.	Contemporaneously
Performance Reporting Fees	Fees charged for performance reporting generally are passed through to the client. This fee is disclosed in the advisory agreement and is subject to change.	Fees are paid quarterly

### ***General Information***

The standard investment advisory contract has an initial term of one year and is automatically renewed for an unlimited number of one-year terms. Generally, either party may terminate at any time by giving 30 days' prior written notice. Wiley shall refund any unearned, prepaid advisory fees for any period following the Termination Date.

### ***Advisory Fee Computation***

Wiley's fees are generally payable monthly or quarterly, in advance and shall be calculated by multiplying the value of the assets under management by the appropriate annual fee rate set forth in the fee schedule. Generally, the monthly payment will be calculated by multiplying the value of the account shown on the last monthly statement by the negotiated fee. This amount is then divided by 365 days (366 during leap year) and multiplied by the exact number of days in that month. Generally, the quarterly payment will be calculated by multiplying the value of the account shown on the last monthly statement for the preceding calendar quarter by the negotiated fee. This amount is then divided by 365 days (366 during leap year) and multiplied by the exact number of

days in that quarter. However, if the account(s) also uses Black Diamond Performance Reporting for billing purposes, the quarterly payment is generally calculated by multiplying the value of the assets in the Client Account(s) as of the last day of the preceding calendar quarter by the Annual Fee. That amount is then divided by four (4) to compute the quarterly payment. In either case, the fees shall generally be payable in advance and such fees are generally deducted from client's account(s) quarterly or as appropriate within thirty (30) days from the beginning of the quarter for which said fees will be incurred. Accounts opened in mid-quarter will be assessed a pro-rated management fee. In this case, the market value of the assets under management shall be based on the market value of account assets on the effective date of the agreement. If the account has not been funded on the effective date, the initial prorated billing amount will be manually calculated based on the market value once the account is funded. While the annual fee for Wiley's services and the services of the investment advisor is generally computed and paid on a quarterly basis, at the direction of client, it may be computed and paid on an annual or monthly basis.

### ***Employee Accounts***

With regard to employee and/or employee related accounts and certain other accounts, the quarterly fees are generally less, depending upon a number of factors, including portfolio size, length of employment and relationship to the employee.

### ***Mutual Funds***

To the extent mutual funds are selected to fill components of the overall investment strategy, the annual advisory fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses. Generally, it is the Firm's policy that 12b-1's not be paid to the IAR or to the Firm and that if they are paid to the aforementioned parties they are to be credited to the Client account. In some, circumstances, the Firm and or the IAR may receive 12b-1 fees, but receipt of such fees will require disclosing this conflict of interest on Client Agreements. Client is advised that, in addition to the annual advisory fee set forth above, each mutual fund in which assets are invested will incur separate investment advisory fees and other expenses for which Client will bear a proportionate share. Firm procedures contain a process by which a review is periodically made of the mutual fund share classes available for advisory clients. The firm attempts to approve only the lowest cost share classes for use in advisory accounts.

### ***Fee Disclosures***

Fees are generally negotiable at the discretion of the IAR, which may result in different fees being charged for accounts similar in makeup and objectives. Consideration is also given to other accounts related to, or affiliated with the client, which can result in lower fees being charged for accounts similar in makeup and objectives. Additionally, should you engage Wiley to provide you with investment advice with respect to your investment portfolio, fees for such advisory services are generally asset based, in which case an annual fee is paid based on a percentage of the assets in your investment portfolio. Based upon your investment portfolio and investment strategy implemented, the costs associated with an advisory account can exceed the commissions you



would pay for brokerage services only.

### ***Conflicts of Interest***

In addition to the compensation for investment services described above, we are also compensated for providing other financial services as described in Item 10 and Item 14 below. Our charges for investment services and for other financial services will include a reasonable profit for Wiley and our representatives. **This profit incentive creates a conflict of interest that could influence Wiley and its investment advisor representatives to recommend opening or maintaining accounts that may have higher costs or less favorable services than other suitable alternatives which do not provide equivalent compensation to Wiley or its representatives.**

Wiley has established various policies and processes to address these conflicts of interest, including the following:

- Disclosure to our clients of investment advisory fees described above;
- Specific procedures to monitor performance based fee arrangements, as described in Item 6;
- Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with Wiley;
- Disclosure to our clients of additional fees charged for brokerage services, as described in Item 11;
- Disclosure of 12b-1 Fees, as described in Item 5
- Procedures governing brokerage practices, as described in Item 13;
- Disclosure of compensation Wiley may receive for the referral of clients to third party providers, as described in Item 15;
- Suitability review process at the time an account is opened; and
- Periodic account reviews after an account is opened.
- It is the Firm's policy to seek, for its clients, the best possible executions, at all times, and in all types of equity markets. It is currently the Firm's policy not to act as principal, but rather as agent on customer transactions. In the event the Firm must act as principal, such transactions will be agreed to, by client, in advance of each trade. Best Execution scrutiny is given to those agency orders and executions handled on behalf of our clients. All executions of customer orders will be checked against market prices at the time of execution for Best Execution compliance by the Equity Trading Principal as part of the standard daily review process.

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

### ***Overview***

In some cases, Wiley has entered into performance fee arrangements (Performance Fee) with qualified clients based upon individualized negotiation with each such client. Wiley will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of Performance Fees, we include realized and unrealized capital gains and losses.

### ***Performance Manager Program Fees***

Performance Manager Program Fees are a negotiable fee generally assessed to advisory clients that may consist of three components:

#### ***Advisory Fee***

The Advisory Fee is computed as a percentage of the gross assets under management in the account with a cap of 3.0% per annum. The amount of assets in the Client Account each quarter shall be based on the value of assets on the last trading day of each month during the quarter. Fees are negotiable at the discretion of the IAR generally, which may result in different fees being charged to other client accounts, similar in makeup and objectives.

#### ***Performance Fees***

Performance Fees are individually negotiated and generally based on the performance of each IAR or sub-advisor selected by a client relative to the stated benchmark index or High Water Mark. The client generally pays an annual performance fee in an amount of up to 20% of the net excess appreciation on the securities in the account over and above the Index or High Water Mark and net of all fees, commissions and the advisory fee. However, if the client's securities underperform the Index, Wiley will not collect a performance fee until the cumulative net excess appreciation on the securities in the account exceeds the last high watermark from the effective date of the agreement.

If the account is terminated during a period of underperformance, Wiley will not be required to refund any portion of the performance fee already paid by the client.

Wiley will also be entitled to reimbursement from client for all costs and expenses (including taxes) incurred by Wiley in providing its investment advisory services to clients.

#### ***Transaction Costs and Fees***

When agreed to in the client agreement, client may be charged a cents per share or a transaction fee, in addition to the annual fee, to cover brokerage charges assessed to the IAR. Client may also be charged ticket charges per transaction as well as postage and handling fee.

### ***Conflicts of Interests***

Performance based fee arrangements create an incentive for Wiley to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Wiley has

procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Any performance-based fee will be arranged subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions, including the exemption set forth in Rule 205-3. See also Item 5 - Fees and Compensation above.

### ***Side-By-Side Management***

We do not engage in Side-By-Side Management.

## **Item 7 - Types of Clients**

We offer portfolio management and investment advice to the following types of clients:

- Individuals
- Families
- High net worth individuals
- High net worth families
- Pension and profit sharing plans (other than participants)
- Charitable organizations
- Foundations
- Universities
- Trusts
- Estates
- Private business owners
- Corporations

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

Investing in securities involves risk of loss that clients should be prepared to bear.

### ***Analysis Methods***

Security analysis methods utilized by Wiley include the following:

#### ***Fundamental***

Fundamental analysis maintains that markets may misprice a security in the short run, but that the "correct" price will eventually be reached by the market. The fundamental analysis of a business involves analyzing a businesses': financial statements and health, management and competitive advantages, and competitors and markets. When applied to futures and forex, it focuses on the overall state of the economy, interest rates, production, earnings, and management.

#### ***Technical***

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

### ***Sources of Information***

The main sources of information that Wiley uses to analyze these investment strategies are:

- Financial newspapers and magazines
- Research materials prepared by others
- Annual reports, prospectuses, filings with the SEC
- Company press releases
- Electronic Subscriptions

### ***Investment Strategies***

The investment strategies Wiley uses to implement any investment advice given to clients includes the following:

- Long term Purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Option buying and writing, including covered options, uncovered options or spreading strategies
- Utilization of Alternative Investments (Partnerships, Hedge Funds, etc.)

### ***Investment Strategy Risks***

#### ***General Risks***

##### **Lack of Diversification**

Portfolio investments may be concentrated and diversification may be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

##### **Liquidity**

The Portfolio may be invested in liquid and illiquid securities. You should be aware that liquid securities may become less liquid during the holding period.

##### **Cash and Cash Equivalents**

Accounts may maintain significant cash positions from time to time and the client will pay the Investment Management Fee based on the net asset value of the Account, including cash and cash equivalents. Furthermore, the Account may forego investment opportunities to hold cash positions if we consider it in the best interests of the Accounts.

### **Leverage**

We may use leverage in investing. Such leverage may be obtained through various means. The use of short-term margin borrowings may result in certain additional risks to Accounts. For example, should the securities pledged to a broker to secure a margin account decline in value, a “margin call” may be issued pursuant to which additional funds would be required to be deposited with the broker or the broker would effect a mandatory liquidation of the pledged securities to compensate for the decline in value. We might not be able to liquidate assets quickly enough to pay off the margin debt and the Accounts may therefore also suffer additional significant losses as a result of such default. Although borrowing money increases returns if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

### **Interest Rate Fluctuation**

The prices of securities in which the Advisor may invest are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

### ***Long term Purchases (securities held at least a year)***

### **Liquidity**

The portfolio will be invested in liquid securities and private investments are not permitted. It is possible, however, that securities become less liquid during the holding period.

### ***Short term purchases (securities sold within a year)***

### **Market Risks**

The success of a significant portion of the program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline for many reasons including other market participants developing similar programs or techniques.

### ***Trading (securities sold within 30 days)***

### **Market Risks**

The success of a significant portion of a trading program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline for many reasons including other market participants developing similar programs or techniques.

### **Trading is Speculative**

There are risks involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

### **Options and Other Derivatives**

We may purchase or sell options, warrants, equity related swaps or other derivatives that trade on an exchange. Both the purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The effectiveness of purchasing or selling stock index options as a hedging technique depends upon the extent to which price movements in the portion of the Accounts' hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular security, whether an Account realizes a gain or loss will depend upon movements in the level of security prices in securities markets generally rather than movements in the price of a particular security.

### **Uncovered Risks**

We may employ various "risk-reduction" techniques designed to minimize the risk of loss in Accounts. Nonetheless, substantial risk remains that such techniques will not always be possible to implement and when possible, will not always be effective in limiting losses. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the value of such positions decline, but utilize other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain if the value of a portfolio position should increase. Moreover, it may not be possible for us to hedge against a fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at a price sufficient to protect from the decline in value of the portfolio position anticipated as a result of such a fluctuation. The success of the hedging transactions will be subject to the ability to correctly predict market fluctuations and movements. Therefore, while we may enter into such transactions to seek to reduce risks, unanticipated market movements and fluctuations may result in a poorer overall performance for the Accounts Portfolio than if we had not engaged in any such hedging transactions. Finally, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary.

### **Utilization of Alternative Investments**

Alternative investment products, including hedge funds, commodity hedged accounts and managed futures, involve a high degree of risk, often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

## **Item 9 - Disciplinary Information**

Wiley accepted a Letter of Acceptance, Waiver and Consent (AWC) October 1, 2010 from FINRA in regard to a late trade reporting in violation with Rule G-14 in the first quarter of 2009. The Firm was also fined \$7,500.

Wiley accepted a Letter of Acceptance, Waiver and Consent (AWC) October 15, 2015 from FINRA in regard to the Firms failure to establish, maintain and enforce a supervisory system and adequate written supervisory control procedures reasonably designed to review and monitor the transmittals of funds from a customer account to employees of the firm. The Firm was also censured and fined \$35,000.

WBAC failed to time report to the Ohio Department of Insurance two FINRA administrative penalties imposed on Adviser, one in 2010 and one in 2015. On November 24, 2004, WBAC inaccurately marked "no" when asked if it had been involved in an administrative action and in 2012, 2013, and 2015, the Firm inaccurately marked "no" when asked if it has been involved in an administrative action that had not been previously reported to the Department. WBAC was ordered to pay a fine of \$400 and administrative costs of \$100. The firm paid the fine and the costs in full on August 30, 2016. The firm executed a consent order relating to the above described allegations with the Ohio Department of Insurance dated June 6, 2016 and paid the \$400 fine and \$100 administrative charge to the Department on August 30, 2016.

In a related matter, WBAC entered into a Voluntary Settlement Agreement with the North Carolina Department of Insurance whereby the firm paid a fine of \$1,250.00. The agreement was entered into on January 23, 2017 and the fine has been paid in full. This Voluntary Settlement was for the failure to disclose the items referenced above and inaccurately answering questions on Insurance registration and renewal forms.

Additional information regarding each disciplinary event is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).

## **Item 10 – Significant Litigation**

Wiley and an associated person were found to have failed to procure an enforceable life insurance policy for the client, notwithstanding the Client's failure to read their insurance application. The

award was \$1,000,000, plus pre-judgment interest and associated court costs.

## **Item 11 - Other Financial Industry Activities and Affiliations**

### ***Broker Dealer***

Wiley is registered as a broker-dealer with the SEC and various state jurisdictions, and is a member of the Financial Industry Regulatory Authority (FINRA). Advisory personnel of Wiley are generally also registered representatives as to the brokerage activities of Wiley.

Our broker dealer can be used to execute portfolio transactions for our investment advisory clients. These transactions will be conducted subject to proper, and customary, disclosure including (but not limited to) compensation received by Wiley and its registered representatives. Compensation will be received by Wiley, as a broker-dealer, and/or its registered representatives when portfolio transactions are effected on behalf of investment advisory clients, and Wiley and its registered representatives generally receive compensation as a result of acting in one or both capacities. Additionally, Wiley, as a broker-dealer, may act in a principal capacity and buy securities for itself from, or sell securities it owns to clients of Wiley, at which time commissions and or other markups/markdowns may be charged to those clients. Clients will always be notified and asked to provide prior written consent prior to Wiley acting in a principal capacity.

### ***Municipal Advisor / Underwriter***

Wiley is registered with the Municipal Securities Rulemaking Board ("MSRB") as a Municipal Advisor. **To the extent Wiley represents a municipal entity as a consultant or in an underwriting capacity, and recommends those municipal securities to you, there is a conflict of interest as there is an incentive for Wiley and its representatives to recommend municipal products based on the compensation received, rather than on your needs.** We manage this conflict of interest by monitoring the suitability of such municipal product as a portion of your investment needs, and by utilizing municipal products that we believe to be in your best interest.

### ***Insurance***

Wiley is licensed with the state of Tennessee as an insurance agency and certain associated persons of ours are licensed insurance brokers, and as such, do on occasion sell insurance products to our advisory clients. **When such transactions occur, the associated person receives insurance commissions for such activities. This creates a conflict of interest as there is an incentive for Wiley and or its representatives to recommend insurance products based on the compensation received, rather than on your needs.** We manage this conflict of interest by monitoring the suitability of such insurance products as a portion of your investment needs, by utilizing insurance products only where it is your best interest, and after consultation with you regarding the insurance products, which consultation includes the disclosure of such potential conflicts in accordance with our fiduciary duty as your adviser. ~~The amount of time spent on these activities is no more than 2%.~~



### ***Other Financial Industry Activities or Affiliations***

Wiley has no other Financial Industry Affiliations.

### ***Other Activities***

Wiley and certain of its principal executive officers can engage in the following activities:

- As a principal, effecting securities transactions for compensation for advisory clients who do not otherwise designate another brokerage firm to perform such services. In this role, Wiley may buy securities for itself from clients or sell securities it owns to clients. When a principal transaction occurs, we will disclose to the client, in writing before the completion of the transaction, the capacity in which we are acting, and will obtain the consent of the client to such transaction. Wiley may purchase initial public offerings for certain advisory client accounts who have expressed an interest in the purchase of these issues. Wiley has procedures in place to include its current practice of allocating these offerings.
- As a broker or agent, effecting securities transactions through Wiley for compensation for advisory clients of Wiley and registered investment advisers, investment managers or sub-advisors who do not otherwise designate another brokerage firm to perform such services.
- As a broker, effecting agency cross transactions through which client securities are sold to or bought from a brokerage customer.
- Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- Buying or selling of securities for its account that it also recommends to clients.

## **Item 12 - Code of Ethics**

Wiley has adopted a Code of Ethics to ensure that securities transactions by Wiley's employees are consistent with Wiley's fiduciary duty to its clients and to ensure compliance with legal requirements and Wiley's standards of business conduct. The Code requires that employees obtain prior approval to open brokerage accounts and requires transaction confirmations and quarterly reporting of all personal securities transactions. A written copy of Wiley's Code of Ethics is available upon request.

Additionally, as a matter of policy Wiley will not permit itself or its employees to trade in front of or in any manner that is prejudicial or disadvantageous to advisory clients. Similarly, if we are participating in an underwriting or sale of limited partnership interests, we will not generally recommend these securities to discretionary advisory accounts without prior consent of client on each transaction. Personal trading by our employees are required to be conducted in compliance with all applicable laws and procedures adopted by us. We allow affiliated persons to participate in aggregate trades to insure that affiliated persons do not receive a better execution than advisory

accounts.

## **Item 13 - Brokerage Practices**

### ***General***

Wiley is registered as a broker/dealer with the SEC and various state jurisdictions, and is a member of FINRA. Wiley generally will be used to execute portfolio transactions for investment advisory clients of Wiley. These transactions will be conducted subject to proper, and customary, disclosure including (but not limited to) compensation received by Wiley and its registered representatives for said execution. Compensation will be received by Wiley, as a broker dealer, and/or its registered representatives when portfolio transactions are effected on behalf of investment advisory clients, and Wiley and its registered representatives may receive compensation as a result of acting in one or both capacities. Additionally, Wiley, as a broker-dealer, may buy securities for itself from, or sell securities it owns to clients of Wiley, at which time commissions and or other markups/markdowns may be charged to those clients.

Based upon the similarity of investments among client accounts having similar investment objectives, and the fact that Wiley may direct the purchase of securities for more than one account simultaneously, and the possible appearance of similarity in the treatment of clients, all client accounts are handled under the following basic conditions, designed to prevent pooling of assets and/or the management of accounts on a de facto pooled basis, resulting in the existence of an investment company. The custody of accounts held by the custodian on behalf of Wiley is structured such that each client's securities are held in nominee name only for ministerial purposes and each client's account is maintained as a separate account. The client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the client's securities in the account.

Further, each client retains any and all rights afforded under the federal securities laws to proceed directly against the issuer of any underlying security in the client's account. Each client may withdraw, hypothecate, vote or pledge securities in their account upon written notice to Wiley and each client has the authority to instruct Wiley from directing the purchase of certain securities through Wiley that might otherwise be purchased in the client's account. To insure the account's investments are in keeping with the customer's investment objectives, the client's circumstances are generally monitored through annual interviews.

### ***Trading Practices***

#### ***Best Execution***

It is generally anticipated that Wiley will be designated by the client as the broker-dealer for the execution of securities transactions which are directed by Wiley. To the extent that we are designated as the broker-dealer, we will execute, as a broker, all purchases and/or sales on behalf of a client's account, through our custodian and clearing firm, Pershing, LLC. For trades not directed to Wiley by the advisory client, Wiley will use its best efforts to obtain execution on the best terms reasonably available. When our advisory clients direct us to execute all or a portion of

its transactions effected on their behalf with a specific broker, we do not negotiate commission rates on behalf of clients unless specifically directed to do so, and we do not determine whether commission rates charged by a broker selected by clients are the lowest available.

### ***Batched Trades***

When Wiley places orders to buy or sell the same security for more than one advisory account managed by Wiley, Wiley can, but is not under any obligation to, batch/aggregate transactions for such clients for the purpose of obtaining best execution. Generally, such batched transactions will be allocated proportionally to all advisory accounts for which such security transaction is determined to be suitable based on relative account size. Wiley can make exceptions to this procedure due to special portfolio constraints, cash position, client or regulatory restrictions, odd-lot size of an available transaction, or other equitable fiduciary reason. It is often not possible to receive the same price or time of execution for all of the securities purchased or sold in an aggregated order. Therefore, such aggregated order may be executed in one or more transactions at varying prices and each client's order will receive the average price for the day with respect to such transaction.

### ***Directed Brokerage***

While not a requirement of participating as a registered investment adviser, investment manager or sub-manager for clients of Wiley or any programs offered, some registered investment advisers, investment managers and sub-advisors utilized by Wiley may have other advisory clients who custody assets through Wiley with the Custodian, and as a result of such relationship, Wiley receives commissions and other compensation from transactions executed in such accounts. See also the discussion in the section herein titled "Other Compensation - Directed Brokerage".

### ***Cross-Trade Transactions***

Wiley rarely engages in agency or principal cross transactions; however, Wiley obtains client consent for such transactions prior to execution. Client may revoke this consent for agency or principal cross transactions at any time. Additionally, to the extent Wiley acts as a principal and engages in a principal cross transaction, Wiley will obtain the Client's permission for such transaction prior to the execution of such transaction.

### ***Soft Dollar Arrangements***

We have no written soft dollar arrangements.

### ***Research***

Occasionally, trades are done with brokers who are selected based on research products or services. These may be used for the benefit of all clients and are not necessarily used exclusively by the account for which the transaction was made. The types of products and services include written and oral reports concerning current or prospective portfolio holdings, economic interpretations, and portfolio strategy. Wiley may compensate brokerage firms which supply computer generated data of its own or that of a third party. Such information is available to assist in the management of all of Wiley's clients whether or not any commissions are available for use in this matter.

### ***ERISA Accounts***

Transactions in any securities effected through Wiley for the accounts of clients that are employee benefits plans subject to Employee Retirement Income Security Act of 1974, as ("ERISA") will be completed in compliance with Exemption 86-128 of ERISA. The foregoing regulatory requirements generally provide, among other things, that advance written authorization be obtained from each client with respect to the utilization of Wiley as a broker/dealer to effect transactions for its account and that periodic reports of such transactions be furnished to its clients.

## **Item 14 - Review of Accounts**

All advisory accounts and proposals for fees are reviewed on an ongoing basis by the compliance director(s) or their Series 24 designee. Accounts will be reviewed for suitability, among other things. More frequent reviews may be triggered by a request from the client and/or changes such as the client's individual circumstances or market, economic or political environment.

Clients are provided with quarterly account position statements as required by the Financial Industry Regulatory Authority, Inc. and the Securities and Exchange Commission. Additionally, clearing, custody, statements and confirms will be provided by Pershing LLC ("Pershing") or another qualified custodian as selected by the client.

## **Item 15 - Client Referrals and Other Compensation**

### ***Solicitor Activities***

We may receive compensation for referring you to a third-party service provider, such as another adviser. The amount of compensation will be determined by the agreement between us and the third-party. We will act as the solicitor and deliver to you our solicitor's Disclosure Document at the time of the referral. **Please note that payment of compensation to us and our representative for recommending a third-party creates a conflict of interest. Although we and our representatives commit to acting in your best interests, the existence of such compensation could encourage us to make an unnecessary referral or cause us to withhold information about an alternative option that doesn't provide equivalent compensation.** We try to minimize this conflict by requiring any IA Representative making such a referral to complete an Outside Advisor Due Diligence form. The IA Representative must provide details as to why the solicitor arrangement is in the best interest of the client.

### ***Brinker Capital***

Wiley has entered into a Solicitor Agreement with Brinker Capital ("Brinker"), whereby Wiley may refer clients to Brinker. Wiley retains contact with these clients solicited as long as they remain clients of Brinker. Wiley will not provide any investment management services or render any investment advice on behalf of Brinker. Wiley shall deliver to each prospective client a current copy of Brinker's brochure together with the Solicitor's Separate Written Disclosure Statement ("Disclosure Statement"). For each client referral Wiley makes to Brinker, as long as the client maintains such account with Wiley, Brinker will pay an amount from the management

fees earned and collected per fees disclosed in contract between firms. The specific terms of the compensation will be disclosed to the client in the Disclosure Statement as delivered by Wiley. If requested by the Client to facilitate a lending arrangement between the client and a bank affiliate of the custodian using the securities in the Client's account as collateral, Brinker may receive a finder's fee, a portion of which will be given to Wiley. Brinker shall select, in its sole discretion, third party investment advisers ("Separate Account Managers"). Brinker shall monitor, or cause to be monitored, the performance of such Separate Account Managers. Brinker has the authority to from time to time, in its sole discretion, remove and replace one or more Separate Account Managers used in the program. Wiley will work with each client to determine client's financial situation, investment objectives, time horizons, and risk tolerance.

### ***Other Compensation***

#### ***Cash and Money Market Funds***

Certain money market, municipal money market and government money-market funds pay Wiley a distribution fee in its capacity as a broker dealer. This compensation is in addition to other fees, etc. received from client accounts. The IARs may also receive additional compensation based on client account balances being held in certain money-market funds. Cash balances arising from the sales of securities, redemption of debt securities, dividend and interest payments and funds received from clients are generally invested automatically on a daily basis. When securities are sold, funds (less any charges) are generally credited on the first business day after trade date. Due to the foregoing practices, Wiley realizes some economic benefit because of the delay in investing these funds.

#### ***Margin Loans and Non Purpose Loans***

To the extent you utilize the custodian for margin loan financing and or non-purpose loans secured by client accounts, both the IAR and Wiley will receive interest sharing compensation related to such margin loans.

#### ***Solicitors***

Wiley is compensated as a solicitor by certain registered investment advisors for referring advisory clients to such investment advisors. Please refer to Item 14 - Client Referrals and Other Compensation – Solicitor Activities for more details.

#### ***Transaction Flow***

When securities are sold, funds may be deposited on the first business day after settlement date. Funds placed in a client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the client's account. Due to the foregoing practices, Wiley may obtain federal funds prior to the date that deposits are credited to client accounts and thus may realize some economic benefit because of the delay in investing these funds. Where an unaffiliated broker-dealer or other entity acts as custodian of the client's account assets, we have no control over the manner in which the cash reserves will be handled. You and or the custodian will make the determination.

## **Item 16 - Custody**

We utilize Pershing, LLC as custodian for our client's assets. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Wiley urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 17 - Investment Discretion**

Our standard investment advisory agreement provides us with discretionary authority to supervise and direct the investment and reinvestment of a client's account, making and implementing investment decisions without prior consultation with the client. If Wiley is not otherwise directed in writing to execute trades through a particular broker-dealer, Wiley will execute, as a broker, all purchases and/or sales on behalf of a client's account through Pershing.

## **Item 18 - Voting Client Securities**

It is generally our policy not to vote proxies, however, with respect to those accounts for which we have voting authority; we do so in accordance with client instructions and in a manner in which we believe to be in the best interests of our clients. Wiley generally votes in accordance with the recommendations of the issuer's existing management, unless it is not prudent to do so. A written copy of the proxy policies and procedures are available upon request.

## **Item 19 - Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Wiley's financial condition. Wiley has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 20 - Other Information**

### ***Business Continuity Plan***

Wiley has developed a Business Continuity Plan to address how we will respond to events that may disrupt our business. Since timing and impact of disasters is unpredictable, the firm will have to be flexible in responding to the events as they occur.

This plan is designed to permit us to resume operations as quickly as possible, given the scope and severity of the significant business disruption. The Business Continuity Plan covers data back-up and recovery, mission critical systems financial and operational assessments, alternative communications, alternate business locations, bank and counter-party impact, regulatory reporting

and the assurance of prompt access to funds and securities for our customers.

### ***Varying Disruptions***

Significant business disruptions can vary in their scope, such as emergencies affecting only a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to an emergency-ready local site, moving a select group of trained employees and expecting to recover and resume business within four hours. In a disruption affecting our business district, city, or region, we will move appropriate staff to a site outside of the affected area to be able to communicate with Pershing on behalf of our clients. In either situation, we plan to continue in business, transferring operations to our clearing firm if necessary. If the significant business disruption is so severe that it prevents us from remaining in business, our clearing firm is one of the largest financial institutions in the world, assuring our customer's prompt access to their funds and securities.

### ***Contact Information***

If after a significant business disruption the main telephone line is inactive, the emergency number is 615-353-9875. If the emergency line is down, please contact Pershing, LLC at 201-413-3635. If you have questions about our Business Continuity Plan, please feel free to contact: (1) David Wiley III (President) [dwiley@wileybros.com](mailto:dwiley@wileybros.com) at (615) 252-6200 or (2) Lisa James (FINOP) at [ljames@wileybros.com](mailto:ljames@wileybros.com) at (615) 252-6196.

### ***Privacy Policy***

In order to provide clients with individualized service, Wiley Bros.-Aintree Capital, (WBAC) will collect certain nonpublic personal information about our clients. We gather information about you and your accounts so that we can (i) know who you are and thereby prevent unauthorized access to your information; (ii) design and improve the products and services we offer; and (iii) comply with the laws and regulations that govern us. We may collect the following types of nonpublic personal information about you: information about your identity, such as your name, address, social security number, financials, risk, employment, etc.; information about your transactions with us; information we receive from you on applications, such as your beneficiaries or income. We collect nonpublic personal information about WBAC clients such as you from the following sources: information we receive from you on applications or other forms, information about your transactions with us, our affiliates, or others or any other information in our possession. We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. Moreover, we will not release information about our customers or former customers unless one of the following conditions are met: we receive your prior written consent; we believe the recipient to be you or your authorized representative; we are required by law to release information to the recipient; or the information is disclosed to third party professionals including but not limited to our clearing firm, third party professionals who support our regulatory compliance obligations or any other organization or person that supports our business with you. We maintain physical, electronic and procedural safeguards to protect client

nonpublic personal information. To further protect your privacy, our website uses a high level of internet security, including data encryption, user names and passwords, and other tools. We also restrict access to your personal and financial data to authorized WBAC associates who have a need for these records. We require all nonaffiliated organizations to conform to our privacy standards and they are contractually obligated to keep the information provided to them confidential and to use only as requested. Furthermore, we will continue to adhere to the privacy policies and practices described in this notice even after your account is closed or becomes inactive.