

Cary Street Partners Asset Management LLC

Form ADV Part 2A Wrap Fee Brochure

SEC File No. 801-110994

901 East Byrd Street, Suite 1001

Richmond, Virginia 23219

www.carystreetpartners.com

804-340-8100

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This brochure provides information to clients and prospective clients about the qualifications and business practices of Cary Street Partners Asset Management LLC (“CSPAM” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at 804-340-8100. 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.

CSPAM is an SEC registered investment adviser. Registration does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with the necessary information allowing you to determine whether to hire or retain an adviser.

Additional information about CSPAM is also available via the SEC’s website at www.adviserinfo.sec.gov. The SEC’s website also provides information about any persons affiliated with CSPAM who are registered, or are required to be registered, as investment adviser representatives of CSPAM.

Item 2 - Material Changes

This Brochure, dated March 31, 2021, was prepared in accordance with SEC requirements and contains both changes and clarifications that are not deemed material, as well as the following material changes from CSPAM's last Brochure amendment filed on July 29, 2020.

Item 4 Advisory Business

As of December 31, 2020, CSPAM had **\$899,775,660** in assets under management on a discretionary basis and **\$107,719,055** in assets under management on a non-discretionary basis.

Corporate Changes

Jessica Thompson was hired effective November 1, 2020 as the new Chief Compliance Officer ("CCO") for the Firm.

As previously noted, Tradition Capital Management LLC in Summit, NJ was acquired by Cary Street Partners Financial LLC ("CSPF", the parent company of the Firm), with the transaction closing in May 2019. It continued to operate as a new entity, Tradition Asset Management LLC ("TAM"), until November 2020. At that time, TAM withdrew from registration with the SEC, and its assets and personnel were fully transitioned to the Firm and its other investment advisory affiliate Cary Street Partners Investment Advisory LLC ("CSPIA").

In May 2020, the Firm formally changed the name of its holding company/parent company to Cary Street Partners Financial LLC from Luxon Financial LLC. In addition to the holding company, the asset management and wealth management subsidiary businesses (CSPAM and CSPIA), and the brokerage affiliate, are also associated with the trade name Cary Street Partners.

Response to the COVID-19 Pandemic and Enacting the CSP Business Continuity Plan

The Firm's policy is to respond to a Significant Business Disruption ("SBD") by safeguarding employees' lives and Firm property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all of the Firm's books and records, and allowing our customers to transact business.

In response to the COVID-19 pandemic, the Firm enacted the Business Continuity Plan. No significant issues were reported to Compliance. Human Resources developed, implemented and communicated protocols specific to various job functions and office locations to align with recommendations made by the United States Centers for Disease Control and Prevention (CDC) and various state government agencies. Compliance assessed and implemented any enhanced supervision requirements to be undertaken due to the pandemic and people working from home for extended periods.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. As determined necessary, we will provide other ongoing disclosure information about material changes.

We will further provide you with a new brochure, as necessary, based on changes or additional information, at any time, without charge. Please contact CSPAM's Compliance Department at (804) 340-8100 or info@carystreetpartners.com to request our brochure. Our brochure is also available on our website at www.carystreetpartners.com.

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Item 4 – Services, Fees and Compensation

CSPAM is an SEC registered investment adviser and is a Limited Liability Company formed under the laws of and headquartered in the state of Virginia. In addition, the Firm is a wholly owned subsidiary of Cary Street Partners Financial LLC (“CSPF”), formerly known as Luxon Financial LLC. As of **December 31, 2020**, CSPAM had \$899,775,660 in assets under management on a discretionary basis and \$107,719,055 in assets under management on a non-discretionary basis.

Services for Non-Discretionary Model Programs vs. Discretionary Wrap Account Programs

CSPAM manages specific investment strategies in wrap fee programs for both non-discretionary Model and discretionary Wrap Account programs sponsored by unaffiliated financial institutions similar to its management of the same strategies implemented in its CSP Global portfolios for example. In both the Wrap Account/Model programs however, CSPAM personnel primarily support the financial institution sponsoring the wrap program (“Sponsor”) and not the actual underlying client. There are fundamental differences between a Wrap Account and Model program. In a traditional Wrap Account program, the underlying client selects the Sponsor. The Sponsor will work with the client to select an approved discretionary investment adviser, like CSPAM, for a particular investment strategy.

From time to time, the Sponsor will communicate any specific client needs/requests to CSPAM, and CSPAM will evaluate for reasonableness within the strategy. CSPAM relies on the Sponsor to gather the necessary information and assess the suitability of its investment style to the individual needs and financial situation of a Wrap Account client. For Wrap Accounts, CSPAM exercises investment discretion and delivers buy/sell instructions to the Sponsor’s platform. The Sponsor is responsible for execution of each transaction in the client accounts.

Under the Model programs, depending on the model, the Sponsor or its designated representative, sometimes referred to as an “overlay manager,” exercises investment discretion and executes each client’s portfolio transactions based on the Sponsor’s own investment judgment. CSPAM does not tailor the model portfolio to the individual needs of any program client. CSPAM does not evaluate suitability for clients in a Model program.

In both types of wrap Sponsored programs, the Sponsor provides a bundle of services for a single fee. Typically, this bundle of services includes the review and monitoring of selected investment advisers approved in the program, performance evaluation of the adviser, execution of the client’s portfolio transactions, custodial services of the client’s assets and payment of CSPAM’s advisory fee and other fees that may be charged in the Sponsor’s program.

Wrap Fee Portfolio Management Services

CSPAM intends to serve as a Portfolio Manager for various wrap fee programs (the “Program(s)”). Each Program is sponsored by a registered investment adviser (the “Sponsor” or “Advisor”). The Sponsor serves as the underlying client’s primary advisor. The Sponsor could be an affiliate of CSPAM. A wrap fee program is inclusive of commissions and other custodial costs as well as CSPAM’s management fee and, in some cases, the Sponsor’s advisory fee. The Sponsor is the primary fiduciary to the wrap fee client. CSPAM will not sponsor or co-sponsor any wrap fee program. The client will receive a wrap fee program disclosure brochure from the Sponsor as well as a copy of CSPAM’s wrap fee disclosure brochure as the Portfolio Manager to the Program.

Utilizing CSPAM’s model portfolios, we will provide services that relate to matters such as allocation of assets among different classes, portfolio diversification, managing portfolio risk, and portfolio monitoring evaluation. Account supervision is guided by the stated objectives of the portfolio (e.g., maximum capital appreciation, growth, etc.), and all managed accounts will be maintained with an independent qualified custodian.

Within the Program, the Sponsor assists clients with the selection of CSPAM (or Sponsor has discretion to select CSPAM) to manage assets in client accounts maintained at the Sponsor’s firm or other qualified custodian. If selected to manage a client’s

assets in a wrap fee program, CSPAM can provide investment management services on a discretionary basis to the client. Each client account will be managed in accordance with one or more model portfolios selected by the Sponsor for its Program.

CSPAM will operate under a dual-contract basis. The client has one advisory agreement with the Sponsor and a separate advisory agreement with CSPAM. As such, the client pays CSPAM an investment advisory fee in addition to the asset-based fee they pay to the Sponsor for services rendered. CSPAM also operates under a unified management agreement where the Sponsor will select CSPAM as a subadvisor.

You should be aware that the wrap fee program fees charged could be higher or lower than those otherwise available if you were to select a separate brokerage service and negotiate commissions in the absence of extra advisory services provided. You should consider the value of our advisory services when making such comparisons. The combination of custodial, advisory, and brokerage services are generally not available separately or require multiple accounts, documentation, and fees. You should also consider the amount of anticipated trading activity when selecting among programs and assessing the overall cost. The CSPAM portfolios typically assume a normal amount of trading and activity and therefore, under certain circumstances, prolonged periods of inactivity or asset allocations with significant fixed income or cash weightings could result in higher fees than if commissions were paid separately.

You should be aware that your assets will be invested in money market funds or mutual funds directly without incurring the fee charged for participation in any wrap fee program. In addition, certain institutional investors can directly purchase a class of shares or certain money market funds or mutual funds that do not charge shareholder services, sub-accounting, or other related fees.

Working with CSPAM as Third-Party Asset Manager:

The following process is applicable to CSPAM's management of client assets:

1. **Investment Management Agreement ("IMA")** – Prior to CSPAM providing investment management services, the end-client and the Advisor will be required to enter into a formal agreement with CSPAM, setting forth the terms and conditions under which assets will be managed. The investment management agreement will authorize the broker-dealer/custodian to debit client's account for the amount of CSPAM's investment management fee and to directly remit that management fee to CSPAM;
2. **Custodial (Advisory) Agreement** – Prior to CSPAM providing investment management services, the end-client will be required to enter into an advisory custodial/clearing agreement with the broker-dealer/custodian ("Custodian Agreement") in order for the broker-dealer/custodian to custody the client's account assets. Some custodian agreements will authorize the broker-dealer/custodian to debit the account for the amount of CSPAM's investment management fee and to directly remit that management fee to CSPAM;
3. **Financial Planning** – Before having CSPAM manage the account for a client, the client's Advisor will obtain information sufficient to determine the client's financial situation and investment objectives;
4. **Portfolio Based on Client's Plan** – The Advisor will assist client in selecting an appropriate portfolio based on client's financial plan;
5. **No Verification of Information** – In performing its services, CSPAM is not required to verify information (such as investment objectives and limitations) received from the client, their Advisor, or other professionals; and CSPAM is authorized to rely on the information provided;

6. **Quarterly Statement from Custodian** – The client shall be provided with a statement, at least quarterly, that is prepared by the custodian and directly delivered from the custodian. That statement shall contain a description of all trade activity in the client’s account(s) during the preceding period;
7. **Termination** – The investment management agreement between CSPAM and the client and/or Advisor will continue in effect unless terminated by either party by written notice in accordance with the terms and conditions of the investment management agreement.
8. **Tax Sensitivity** -- CSPAM will also help manage a client’s tax sensitivity as directed by the client’s Advisor. This includes, but is not limited to, selling mutual funds ahead of capital gain distributions and replacing with ETFs for a period time sufficient enough to avoid wash sales, and selling securities in an unrealized loss position to offset realized capital gains.

Types of Investments

CSPAM provides investment management services through its two service offerings: CSP Global and CSP Active Management. CSP Global provides investment strategies using primarily shares of mutual funds and exchange traded funds (ETFs), and separately managed accounts (SMAs), while CSP Active Management provides investment management strategies primarily utilizing individual equity and fixed income securities. Both CSP Global and CSP Active Management offer multiple investment strategies through advisory programs on a discretionary basis. Additional information as to the specific investments and other portfolio composition characteristics and metrics underlying each program strategy are provided to the end-client and the Advisor in advance of the execution of the strategy or strategies by CSPAM. The Firm acknowledges that it is a “fiduciary” when its services are subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

Fee Schedule

CSPAM charges clients either an investment management fee based upon a percentage of the market value of the assets being managed by CSPAM or a flat fee for investment consulting services. The annual investment management fee rate charged will vary depending upon the market value of the assets under management and the specific type of service being provided.

The annual investment management fee that CSPAM will charge a client for any investment program strategy typically ranges between 0.05% and 0.25% of assets being managed, depending on the specific strategy utilized. Investment management and investment consulting services fees are negotiable, subject to volume discounts, and could be modified on a case-by-case basis. Fees are usually payable at the beginning of each quarter, commonly referred to in advance, and deducted directly from the client’s account. CSPAM uses the value of each account on the last day of the previous quarter to calculate the quarterly fee.

The client’s Advisor will likely charge investment management fees that are different from other Advisors that use the services of CSPAM. The level of services offered and provided to the client is just one of many variations in Advisor services and compensation. Such arrangements, and the terms and conditions thereof, are determined between the client and their Advisor.

Various factors influence the relative cost of our wrap fee program to you, including the cost of our investment advice, custody and brokerage services if you purchased them separately, the types of investments held in your account, and the frequency, type and size of trades in your account. The wrap fee program could cost you more or less than purchasing our investment advice and custody/brokerage services separately.

Our wrap fee covers our advisory services and the brokerage services provided by your Sponsor and qualified custodian including custody of assets, equity trades, ETFs, and agency transactions in fixed income securities. As a result, we have an incentive to execute transactions for your account with your Sponsor or qualified custodian.

Our wrap fee does not cover all fees and costs. The fees not included in the wrap fee include the following: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses); mark-ups and mark-downs; spreads paid to market makers; fees (such as a commission or markup) for trades executed away from your qualified custodian at another broker-dealer; wire transfer fees; and other fees and taxes on brokerage accounts and securities transactions.

Payment of Fees

Generally, CSPAM is responsible for the calculation of its portion of the management or consulting fees it charges. Fees are paid via one of the following methods:

- CSPAM bills the client's account(s) for its management fees and the payment is debited from the client's account(s) by the custodian, and then sent to CSPAM by the custodian.
- CSPAM bills the client's directly for services rendered. This method of payment is typically a negotiated flat fee for consultation services.
- The client's Advisor bills the client's account(s) or invoices the client for its management fees, as well as CSPAM's fees. The Advisor then sends CSPAM's portion of the management fees to CSPAM.

Other Costs of Investing

- In addition to CSPAM's investment management fee, each client's Advisor charges advisory or other related fees.
- Clients with assets held in mutual fund shares and exchange traded funds (ETFs) will be charged expenses that include mutual fund management fees and potentially other fund expenses.
- Clients, in some cases, are charged by their account custodian for transactions in their account(s). These charges will come in the form of commissions, mark-ups, and redemption fees. Certain types of accounts, such as IRA and other qualified retirement plans, incur additional charges.
- CSPAM does not receive any portion of the brokerage commissions or transaction fees charged, or any of the fees assessed by the third-parties listed above.

CSPAM does not charge or accept performance-based fees. For example, CSPAM does not share in capital gains or capital appreciation of assets held within a client's account(s).

Item 5 – Account Requirements and Types of Clients

CSPAM services the following types of clients:

- Individuals;
- Trusts, Estates, and Charitable Organizations;
- Corporations and Institutions; and
- Retirement Plans.

Advisors, in certain cases, will have minimum asset size requirements in order to service accounts.

Item 6 – Portfolio Manager Selection and Evaluation

Methods of Analysis

CSPAM's methods of analysis vary by its two service offerings. CSP Global utilizes model portfolio strategies developed using an academically vetted, quantitative, efficient frontier asset allocation model. The asset allocation model is then combined with

CSPAM's manager research process which fully vets only liquid mutual funds. A mutual fund is an investment vehicle made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. Mutual funds are operated by money managers, who invest the fund's capital and attempt to produce capital gains and income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

CSP Active Management utilizes a qualitative selection process to design portfolio strategies comprised of primarily individual stocks and bonds based on the fundamental analysis of economic drivers of intrinsic company value such as profitability, free cash flow generation, and growth rates. The process of initial and ongoing position sizing and allocation decisions is designed to provide exposure to the risk-adjusted returns of growing companies at reasonable prices. Because most of CSP Active Management's portfolio strategies are comprised of individual securities, there are certain risks the investor will bear, which we comment on in more detail below.

Investment Strategies

The portfolio strategies offered by CSPAM range from full equity models with higher levels of risk to full bond models with the lower levels of risk as well as a range of ETF portfolios with a varied blend of equity and bond exposure that fall between them. In addition, we offer strategies that include alternative assets.

Specifically, CSP Global model portfolios are designed to meet investor needs for diversified portfolio solutions meeting defined risk objectives using mutual funds and ETFs and direct SMA holdings. Each model is built around a targeted strategic asset allocation utilizing the following major asset classes - fixed income, domestic and international equity securities and cash or cash equivalents. These strategic asset allocation targets are based upon CSP Global's recommended long-term strategy guidelines and may change from time to time as determined by CSP Global's research and analysis.

CSP Active Management portfolios are designed to provide primarily equity exposure to the risk-adjusted returns of growing companies at reasonable prices. Margin of safety, preservation of capital, and positive risk-adjusted returns are the primary factors determining security selection, with a focus on value-oriented opportunistic investments resulting from events such as new company management, business restructuring, or new product launches. In addition, certain portfolio strategies also include bond exposure to provide additional asset class diversification, consistent with stated investment objectives.

Risk of Loss

All investments in securities include a risk of loss of principal (invested amount) and any profits that have not been realized (i.e., the securities were not sold to "lock in" the profit). Stock markets and bond markets fluctuate substantially over time. In addition, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets CSPAM manages.

CSPAM does not represent, warrant, or imply that the services or methods of analysis used can or will predict future results, successfully identify market tops or bottoms, or insulate clients from major losses due to market corrections or crashes. No guarantees are offered that clients' goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by CSPAM will provide a better return than other investment strategies.

Equity Security Risks. Equity markets are volatile and impacted by liquidity and investor sentiment. Many issues impact investor sentiment and thus investors' willingness to participate or purchase equity securities or thus provide liquidity to the market. Investor sentiment is impacted by economic conditions, sovereign monetary policy, political climate, world events, tax rates and other social factors. Sentiment can change rapidly causing major stock price declines in short order. It is difficult if not impossible to forecast these changes in sentiment and the resulting price declines. Thus, investing in stocks is a risky proposition that could result in significant losses that are not related to an individual company's fundamentals.

Market Event Risks. Some countries and regions in which CSPAM invests have experienced security concerns, outbreaks of infectious diseases, pandemics, war or threats of war and aggression, terrorism, economic uncertainty, natural and environmental disasters and/or systemic market dislocations which have led, and in the future may lead, to increased market and liquidity volatility and exchange trading suspensions and closures. These events may have adverse effects on the U.S. and world economies and markets generally, each of which may negatively impact CSPAM's investments and performance.

Individual Security Risks. Each equity security has the risks mentioned above and has company or industry related fundamental risks. As above, sentiment and liquidity can create price declines or negatively impact valuation metrics. In addition, companies are faced with other fundamental risks like changes in industry, competition, lower demand for products, technological obsolescence, competitor innovation, patents, regulatory changes, political risks, cost inflation, labor relations, environmental issues, product liability and numerous other fundamental factors. Negative fundamental factors can reduce a company's equity value. In addition, some companies also face financial risks as they are dependent on raising capital in the financial markets to fund their operations. Financial markets may refuse to provide this funding.

Fixed Income Security Risks. Fixed income investments have the same liquidity and volatility risks of all financial assets. In addition, they have several other asset-class specific risks. Inflation risk reduces the real value of such investments as purchasing power declines on nominal dollars that are received as principal and interest. Interest rate risk comes from a rise in interest rates that causes a fixed income security to decline in price in order to make the market price-based yield competitive with the prevailing interest rate climate. Fixed income securities are also at risk of issuer default or the markets' perception that default risk has increased. In default, either some or all the securities' interest and principal payments will be omitted or delayed. The increase of this possibility can in itself cause the market price for a fixed income security to fall. CSPAM attempts to manage these risks by designing strategies that focus on fixed income diversification.

CSPAM helps manage or mitigate the risks discussed above by selecting investment strategies, investment managers, investment structures, and, specifically for strategies offered through CSP Active Management, individual securities within diversified portfolios, that spread security risk across numerous asset classes, companies, sectors of investment, and strategic allocation targets.

Item 7 - Client Information Provided to Portfolio Managers

In order to provide the Program services, we will share your private information with your account custodian. We will also provide your private information to mutual fund companies and/or private managers as needed. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy.

Item 8 - Client Contact with Portfolio Managers

Without restriction, you should contact CSPAM or your advisory representative directly with any questions regarding your Program account. You should contact your advisory representative with respect to changes in your investment objectives, risk tolerance, or requested restrictions placed on the management of your Program assets.

Item 9 - Additional Information

Disciplinary Information

Neither CSPAM, nor its management personnel, are involved, and have not been involved, in any legal or disciplinary events that are considered material.

Other Financial Industry Activities and Affiliations

CSPAM is registered with the SEC as a registered investment adviser. The appropriate personnel of CSPAM are registered as investment adviser representatives within their state jurisdiction. CSPAM is not registered as a broker-dealer. The management personnel are registered representatives with Cary Street Partners LLC, the broker-dealer affiliate of CSPAM and a wholly owned subsidiary of CSPF. Currently, there is not a pending application for registration as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person for CSPAM.

Cary Street Partners LLC

Cary Street Partners LLC (“CSP”) is a registered broker-dealer and member of the Financial Industry Regulatory Authority (“FINRA”). CSP provides investment banking, wealth management and brokerage services to its clients. Client accounts of CSP are custodied at WFCS. Currently, there is not a pending application for registration as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person for CSP, the broker-dealer affiliate or any management person.

CSP, will serve, periodically, as a private placement agent for issuers of equity and debt securities. In that capacity, certain advisory clients who are accredited investors and qualified advisory clients for which the private placement is suitable are shown transactions represented by CSP. If they elect to do so and are acceptable to the issuer and its counsel, these clients purchase securities in some of those offerings. In addition, CSPF, holding company for CSP and CSPAM, has completed private placements of securities and some of our qualified advisory clients invested in those offerings. The Firm could offer similar investments to our investment advisory clients in the future.

Cary Street Partners Investment Advisory LLC

Cary Street Partners Investment Advisory LLC (“CSPIA”) is registered with the SEC as a registered investment adviser and provides individualized non-discretionary and discretionary advisory services to various categories of institutional and individual clients that wish to participate in financial planning, separately managed accounts (“SMAs”), mutual funds, closed end funds, exchange traded funds, annuities, fixed income, structured notes, equities, or want to invest in private equity funds or other alternative investment vehicles. CSPIA is an affiliate of CSPAM and a wholly owned subsidiary of CSPF.

Riverstone Business Advisory Services, Inc.

RiverStone Business Advisory Services, Inc. (“RBAS”), is an affiliated entity of CSPAM and a wholly owned subsidiary of CSPF. Through this entity, certain FAs provide business consulting, bookkeeping services and tax services. Only a limited number of FAs participate in this entity.

Luxon Insurance Services LLC

Luxon Insurance Services LLC (“Luxon Insurance”) is an affiliated entity of CSPAM and a wholly owned subsidiary of CSPF. Luxon Insurance provides business insurance services to clients and corporate entities.

CSPAM associates accept payment for reasonable travel and lodging expenses from money managers when performing due diligence reviews or educational meetings related to those money managers’ investment management activities. These payments are to compensate CSPAM for travel related expenses incurred on these business trips. Any payments received in these situations are monitored and reviewed and are considered immaterial in relation to the firm’s income.

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

Personal trading by CSPAM employees must be conducted in compliance with all applicable laws and procedures adopted by CSPAM. CSPAM places restrictions upon certain personnel in connection with the purchase or sale of securities recommended to you. It is CSPAM’s internal policy that certain management personnel not recommend the purchase of a security that they have purchased for their own account or the account of a closely related party within an established number of days, unless

such shares are sold prior to issuance of a buy recommendation. Some advisors are prohibited from purchasing securities that we have recommended for 24 hours following the official release of the recommendation except within the models which trade concurrent with client accounts. All trades in accounts of the personnel in these departments and their immediate relatives are subject to supervisory review. Policies and procedures have been designed to prevent, among other things, any improper conduct wherever any potential conflict of interest exists with respect to any client.

Review of Accounts

CSPAM will regularly monitor the investments in client accounts and perform at least quarterly reviews of account holdings for all clients. Client accounts are reviewed for consistency with the model portfolio's investment strategy and objectives, compliance with investment restrictions provided by the client (if applicable), asset allocation, style drift, cash flows, investment selection, risk tolerance and performance relative to the appropriate benchmark. CSPAM monitors on a continuous basis the securities it recommends for its model portfolios. CSPAM's Investment Team is responsible for the monitoring of the securities which are used in its model portfolios.

Portfolio Management Services

For accounts for which CSPAM provides Portfolio Management Services, we generally rebalance portfolios on a quarterly basis but monitor the portfolios daily to confirm the stated asset allocation for the model portfolio does not exceed the position threshold by 30%.

Reports

CSPAM generally does not provide performance reports for individual client accounts. Clients will receive monthly statements from the custodian for each household account held by the custodian. If the client's account has no activity, the custodian, at a minimum, will provide a quarterly statement. The custodian's statement will include information about the assets held in the account, the current value of each asset, as well as reflect the deduction of any fees from the client's account. Clients are encouraged to review their statements with their primary advisor for discrepancies.

Client Referrals and Other Compensation

CSPAM or its affiliates from time to time enter into solicitation agreements providing cash compensation to solicitors who secure clients for its investment advisory programs. CSPAM also from time to time enters into solicitation agreements under which it receives cash compensation for referring clients to other investment managers, including one or more of its affiliates. These agreements are fully disclosed to the client.

CSPAM or its affiliates, will from time to time enter joint marketing activities with investment managers and/or sponsors of mutual funds in the investment advisory programs it offers. These managers and/or sponsors pay a portion, or all, of the cost of the activities, which payment at times takes the form of reimbursement to CSPAM.

Clients who have investment advisory accounts with CSPAM could also have other accounts with the firm or its affiliates in which management fees are not charged. The payment of commissions in these non-managed accounts is negotiated on an entirely separate basis from the payment of fees and commissions under investment advisory agreements.

Financial Information

The Firm has made large investments in technology and its infrastructure. To date, client billings have been insufficient to pay for all the Firm's ongoing operating expenses. Thus, the Firm has relied upon, and intends to continue to rely upon, capital contributions from CSPF to cover the shortfall between client billings and the Firm's operating expenses. In support of this arrangement, the Firm has entered into a guaranty agreement with CSPF pursuant to which CSPF has guaranteed the Firm's obligations to its clients arising from or related to the provision of investment advisory services, whether now existing or hereafter arising.