



ARISTIDE PARTNERS LLC

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## ***Policies & Procedures Manual***

April 5, 2018

# **TABLE OF CONTENTS**

<b>1. INTRODUCTION.....</b>	<b>5</b>
1.1 USE AND DISTRIBUTION OF THIS COMPLIANCE MANUAL .....	5
1.2 THE FIDUCIARY STANDARD .....	5
<b>2. REGISTRATION .....</b>	<b>6</b>
2.1 STATE REGISTRATIONS .....	6
2.2 ARISTIDE PARTNERS REGISTRATION .....	6
2.3 STATE AND ADVISOR RENEWALS.....	6
2.4 ARISTIDE PARTNERS PROCEDURES: REGISTRATION .....	6
<b>3. DISCLOSURE DOCUMENT .....</b>	<b>7</b>
3.1 DISCLOSURE OF FINANCIAL AND DISCIPLINARY INFORMATION.....	7
3.2 ARISTIDE PARTNERS POLICY: DISCLOSURE.....	7
<b>4. ADVISORY AGREEMENT .....</b>	<b>7</b>
4.1 ARISTIDE PARTNERS PROCEDURES: ADVISORY AGREEMENTS .....	8
<b>5. SUPPORTING CLIENT DOCUMENTATION .....</b>	<b>8</b>
<b>6. ADVISORY FEES .....</b>	<b>8</b>
6.1 DISCLOSURE OF ADDITIONAL COMPENSATION .....	8
6.2 REFERRAL FEES.....	9
6.3 ARISTIDE PARTNERS POLICY: ADVISORY FEES.....	9
6.4 ARISTIDE PARTNERS PROCEDURE: ADVISORY FEES.....	9
<b>7. BOOKS AND RECORDS .....</b>	<b>9</b>
7.1 RETENTION OF RECORDS.....	11
7.2 RECORDS MAINTENANCE IF ARISTIDE PARTNERS IS DISCONTINUING BUSINESS.....	12
7.3 RECORDS DESTRUCTION POLICY .....	12
7.4 BUSINESS CONTINUITY PLAN.....	13
<b>8. ANNUAL OR OTHER REPORTING REQUIREMENTS .....</b>	<b>13</b>
8.1 AMENDMENTS TO FORM ADV.....	13
8.2 AMENDMENTS TO U-4 AND SCHEDULE D.....	13
8.3 FORM ADV-W.....	14
<b>9. FINANCIAL RECORDS .....</b>	<b>14</b>
<b>10. GENERAL CORPORATE RECORDS .....</b>	<b>14</b>
<b>11. PERSONAL SECURITIES RECORDS.....</b>	<b>14</b>
11.1 INITIAL AND ANNUAL HOLDINGS REPORTS.....	15
11.2 QUARTERLY PERSONAL TRANSACTIONS REPORTS .....	15
<b>12. CODE OF ETHICS .....</b>	<b>16</b>
12.1 SUMMARY .....	16
12.2 OBJECTIVES .....	16

12.3	GENERAL PROVISIONS.....	16
12.4	MONITORING AND ENFORCEMENT.....	17
<b>13.</b>	<b>CODE OF ETHICS - INSIDER TRANSACTIONS.....</b>	<b>17</b>
13.1	ARISTIDE PARTNERS PROCEDURES: INSIDER TRADING.....	17
<b>14.</b>	<b>CUSTOMER COMPLAINT RECORDS .....</b>	<b>18</b>
<b>15.</b>	<b>ADVERTISING AND MARKETING (INCLUDES BUSINESS CARDS AND LETTERHEAD) .....</b>	<b>18</b>
15.1	USE OF THE TERMS "RIA" OR "INVESTMENT COUNSEL" .....	21
15.2	USE OF THE PROFESSIONAL DESIGNATIONS.....	21
15.3	ARISTIDE PARTNERS POLICY: ADVERTISING AND MARKETING .....	22
15.4	ARISTIDE PARTNERS POLICY: PERFORMANCE DATA.....	22
<b>16.</b>	<b>TRADING .....</b>	<b>24</b>
16.1	IDLE CASH .....	24
16.2	TRADING ERRORS .....	24
16.3	TRADING ALLOCATION PROCEDURES.....	25
16.4	AGGREGATION OF ORDERS .....	26
16.5	BEST EXECUTION .....	27
16.6	DIRECTED BROKERAGE.....	28
16.7	SOFT DOLLARS .....	28
16.8	PRINCIPAL TRADING AND AGENCY CROSS TRANSACTIONS .....	28
<b>17.</b>	<b>WRAP FEES .....</b>	<b>28</b>
<b>18.</b>	<b>FINANCIAL PLANNING.....</b>	<b>28</b>
18.1	REQUIRED AGREEMENTS.....	28
18.2	BILLING FOR FINANCIAL PLANNING SERVICES .....	29
18.3	DUTIES IN PROVIDING FINANCIAL PLANNING SERVICES.....	29
<b>19.</b>	<b>ERISA MATTERS.....</b>	<b>29</b>
<b>20.</b>	<b>CUSTODY .....</b>	<b>29</b>
20.1	ARISTIDE PARTNERS PROCEDURES: CUSTODY OF CLIENT ASSETS .....	30
<b>21.</b>	<b>TELEMARKETING RULE.....</b>	<b>30</b>
<b>22.</b>	<b>PRIVACY POLICY .....</b>	<b>31</b>
22.1	NOTICES TO CLIENTS.....	31
	31	
22.2	SAFEGUARDING CLIENT INFORMATION.....	31
22.3	CYBER SECURITY POLICY.....	32
22.4	FINANCIAL SERVICES DATA BREACH NOTIFICATION POLICY .....	33
22.5	DELIVERY OF CUSTOMER NOTICE .....	34
<b>23.</b>	<b>SUPERVISION .....</b>	<b>34</b>
23.1	ARISTIDE PARTNERS PROCEDURES: SUPERVISION .....	34
23.2	GIFTS, REBATES OR OTHER PAYMENTS .....	34
23.3	ARISTIDE PARTNERS POLICY: MONEY LAUNDERING.....	35
23.4	ARISTIDE PARTNERS POLICY: REGULATORY VISITS AND PRESS INQUIRIES.....	36
<b>24.</b>	<b>PROXY VOTING POLICY .....</b>	<b>36</b>
<b>25.</b>	<b>REPORTING VIOLATIONS (WHISTLEBLOWER POLICY).....</b>	<b>36</b>
25.1	ARISTIDE PARTNERS POLICY: FINANCIAL EXPLOITATION OF SENIORS.....	36
<b>EXHIBIT A</b>	<b>INITIAL AND ANNUAL PORTFOLIO HOLDINGS REPORT .....</b>	<b>38</b>

April 5, 2018

<b>EXHIBIT B</b>	<b>QUARTERLY PERSONAL TRANSACTION REPORT .....</b>	<b>39</b>
<b>EXHIBIT C</b>	<b>ARISTIDE PARTNERS RECORD KEEPING CHECKLIST .....</b>	<b>40</b>
<b>EXHIBIT D</b>	<b>ACKNOWLEDGEMENT OF RECEIPT.....</b>	<b>41</b>
<b>EXHIBIT E</b>	<b>TRADE ERROR FORM .....</b>	<b>42</b>
<b>EXHIBIT F</b>	<b>GIFT LEDGER.....</b>	<b>43</b>
<b>EXHIBIT G</b>	<b>CUSTOMER COMPLAINT LOG.....</b>	<b>44</b>

## 1. INTRODUCTION

This Compliance Manual ("CM") has been developed to introduce you to the policies relating to the Investment Advisory practices of Aristide Partners LLC ("Aristide Partners"). It is designed to be a permanent record that will be periodically reviewed and updated by Aristide Partners.

Aristide Partners is a State Registered Investment Advisor with its principal office and place of business located at: 1504 Hull Avenue in Westchester, IL 60154.

Aristide Partners endeavors at all times to operate in conformity with federal and/or applicable state laws and to conduct its business in the highest ethical and professional manner. This CM has been prepared to accomplish two things:

First, it should provide Aristide Partners' principals, advisory representatives and employees with an awareness of the requirements of the laws, rules and regulations governing investment advisor and advisor activities. Second, it should provide Aristide Partners' procedures and policies designed to ensure that its operations meet those requirements.

This CM should be kept available for easy reference. You are asked and encouraged to raise questions, criticisms or comments about the manual. Suggestions for changes or additions are welcome. **Kevin Aristide has been designated Chief Compliance Officer ("CCO"). Any questions regarding compliance issues must be directed to Kevin Aristide, CCO.**

**Aristide Partners expects all employees to be thoroughly familiar with the policies and procedures as set forth in this manual.** Adherence to the policies and procedures set forth will help to achieve our goal of uniform compliance and to maintain the interests of Aristide Partners' clients first.

### ***1.1 Use and Distribution of this Compliance Manual***

This CM is a basic part of Aristide Partners' Compliance Program. Each principal, officer, supervisor and advisory representative and any access person who participates in or has responsibilities in connection with the advisory activities (hereafter referred to as an "advisory person") will be provided a copy of this CM. This CM is intended to be revised and supplemented from time to time.

Each officer, principal, manager, supervisor or any other person having managerial or supervisory responsibilities must:

- a. Be familiar with and understand the contents of the CM;
- b. Provide new employees, including trainees, with a copy of this CM;
- c. Ensure that all holders of the CM whom you supervise are familiar with and understand the contents of the CM and use it in day-to-day activities; and
- d. Ensure that any supplements to the CM are distributed to advisory persons under your supervision with proper instructions for use with the CM.

After reviewing this CM and signing an acknowledgment as to understanding and agreeing to abide by Aristide Partners' policies and procedures, any employee who violates any provision, policy or procedure as outlined in this CM may be subject to sanctions by Aristide Partners up to and including termination of employment or affiliation. The Acknowledgement Form is attached in (Exhibit D).

### ***1.2 The Fiduciary Standard***

As a registered investment advisor, Aristide Partners is a fiduciary to our advisory clients. The regulations state that investment advisors owe their clients several specific duties as fiduciaries. A client of Aristide Partners is defined as an individual or entity who has received all required disclosures with a signed Agreement. The fiduciary duties include the provision of advice that is suitable for the client, full disclosure of all material facts and conflicts of interest, utmost and exclusive loyalty and good faith, best execution of client transactions, and the exercise of reasonable care to avoid misleading clients.

## **2. REGISTRATION**

### **2.1 State Registrations**

The policy of Aristide Partners is to comply with any state registration requirements that may apply to Aristide Partners and to renew and maintain the registrations and/or notice filings on a current basis with the state as appropriate.

Aristide Partners will maintain a list of clients by state of residency and monitor the state residences of clients to ensure compliance with the national de minimis standard and state regulations. State registration of Aristide Partners and our investment advisor representatives may be required, based on the number of clients residing in the state, unless the national de minimis or an applicable exemption exists. In addition, notification of the establishment of a branch or termination of a branch is a requirement in a number of states. Notification is required within specific periods regarding opening or closing branch offices. Some states require prior notification, for example, with thirty (30) days prior notice, and some states require notification after the event.

Definitions of “branch office” vary from state to state, so if we employ advisory person(s) outside the main office location, we need to review each state’s branch office definition and requirements.

Aristide Partners does not currently have any branch offices.

### **2.2 Aristide Partners Registration**

Under state regulations, the definition of an investment advisor representative varies greatly from state to state. In some states, any individual who solicits clients for an advisor must be registered as an advisor of Aristide Partners. In other states, only those who actually provide investment advice must be advisors. In others, the person(s) who supervise investment advisors must themselves be registered as an investment advisor. Aristide Partners is required to conduct an in-depth review of individual state registration requirements prior to soliciting business in any state in which we and/or each individual is not registered. The CCO must receive notice of any disciplinary events of an investment advisor representative and will immediately update the Form U4 on file to reflect the related disclosures. The CCO will file Form U5 immediately upon termination of an investment advisor representative.

### **2.3 State and Advisor Renewals**

Aristide Partners will renew the firm and advisors on a timely basis. Renewal requirements vary widely from state to state for both Aristide Partners and our investment advisor representatives. Procedures must be developed to ensure renewals are received and processed each year.

### **2.4 Aristide Partners Procedures: Registration**

For purposes of complying with state registration requirements, Aristide Partners shall undertake the following procedures:

- a. The CCO shall be responsible for reviewing the Form ADV on an ongoing, but no less than quarterly, to ensure that all information is current and accurate. Material changes to the Form ADV shall be prepared and filed with all appropriate state agencies in a timely manner.
- b. The CCO shall be responsible for filing the Form ADV - Part 1 and ADV Part 2 within ninety (90) days after the end of Aristide Partners’ fiscal year.
- c. It is the responsibility of the CCO to be aware of the particular requirements of the states where Aristide Partners operates and to ensure that Aristide Partners and its advisory representatives are properly registered, licensed and qualified to conduct business pursuant to all applicable laws of those states.
- d. The CCO, or his designee, shall be responsible for preparing and maintaining a list of clients by state of residency to ensure Aristide Partners and its advisors are registered properly. This is done on an ongoing basis.
- e. Unless otherwise permitted by regulation, neither Aristide Partners nor any of its advisory representatives may solicit or render investment advice for any client domiciled in a state

where Aristide Partners is not properly licensed or is not exempt or excluded from registration.

### 3. DISCLOSURE DOCUMENT

Aristide Partners is required to provide all clients and prospective clients with a written disclosure document. Aristide Partners utilizes the ADV Part 2 as the means to provide such information. The major purpose of this disclosure document is to inform clients of our services, fees, business practices and conflicts of interest and/or material affiliations.

General provisions of the rule:

- a. **Delivery:** The disclosure document shall be delivered to an advisory client or prospective advisory client (i) not less than 48 hours prior to entering into any written investment advisory agreement with such client or prospective client; or (ii) at the time of entering into any such agreement if the advisory client has a right to terminate the agreement without penalty within five (5) business days after entering into the agreement. Evidence that the client received a copy of the disclosure document must be maintained in the client's file.
- b. **Annual Delivery:** Aristide Partners must annually provide each client the firm brochure and deliver either: (i) a copy of the most current brochure that includes a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current brochure. Aristide Partners will make this annual delivery no later than 120 days after the end of its fiscal year. The offer can be done either by mail or in accordance with the guidelines regarding electronic delivery of information.
- c. In addition, Aristide Partners will maintain a copy of each written statement and each amendment or revision given or sent to any client or prospective client of Aristide Partners and a record of the dates that each written statement and each amendment or revision was given or offered.

#### 3.1 Disclosure of Financial and Disciplinary Information

- a. Aristide Partners is required to make a disclosure amendment to reflect material events. A "precarious financial condition" means a financial condition of Aristide Partners that is "reasonably likely to impair the Aristide Partners' ability to meet contractual commitments to clients." This would generally include insolvency or bankruptcy.
- b. Aristide Partners is required to disclose material facts about any legal or disciplinary event "material to an evaluation of Aristide Partners' integrity or ability to meet contractual commitments to clients involving Aristide Partners or its management persons." Management person means a person with the power to exercise, directly or indirectly, a controlling influence over the management or policies of an advisor, or to determine the general investment advice given to clients.

The following four factors should be considered when determining if an event is "material:"

- a. the distance of the entity or individual from the advisory function;
- b. the nature of the infraction;
- c. the severity of the sanction;
- d. the time elapsed (10 years).

#### 3.2 Aristide Partners Policy: Disclosure

It is the policy of Aristide Partners to periodically review Aristide Partners' business and services provided to clients and to fully and accurately disclose the types of services, advisory fees, etc., in Aristide Partners' Form ADV Part 2, marketing brochures, and other materials, as appropriate.

### 4. ADVISORY AGREEMENT

It is the policy of Aristide Partners to maintain written advisory agreements with its clients and that such agreements meet all appropriate regulatory requirements.

All unearned, pre-paid fees must be refunded upon termination of the agreement. The terms of the advisory agreement describing services and fees must be consistent with information in our Form ADV as currently on file with the appropriate states.

Investment objectives and/or management style should be either included as part of the client's advisory agreement, contained in a separate suitability record, or a signed proposal. By initialing the agreement or an attached document should evidence that the client has received the Form ADV Part 2 disclosure document.

#### **4.1 *Aristide Partners Procedures: Advisory Agreements***

For purposes of effecting Aristide Partners' policy on advisory agreements, the following procedures shall be applicable:

- a. All advisory agreements between Aristide Partners and its clients shall be in writing on a form approved by the CCO.
- b. The CCO shall be responsible for reviewing, on a quarterly basis, the standard form of each advisory agreement for purposes of confirming that the advisory agreement is consistent with the information in Aristide Partners' Form ADV and satisfies the specific requirements of the states in which Aristide Partners is registered.
- c. No changes to the Aristide Partners advisory agreement are allowed unless such changes are approved in writing by the CCO before the advisory client signs the agreement. The exception to the pre-approval is the negotiated advisory fees.
- d. Advisory representatives shall, upon execution by the client, promptly forward the original advisory agreement to the appropriate designated person for review, approval, and filing in the client file.

## **5. SUPPORTING CLIENT DOCUMENTATION**

In addition to receiving its disclosure information, advisors are required to obtain, from each new client, important information needed to establish an investment advisory relationship. Advisory personnel should be familiar with the client documents required by Aristide Partners and be careful that all necessary information is obtained and where applicable, verified with supporting documents, such as trust agreements, discretionary agreements, and power of attorney forms. Of primary importance is information regarding financial needs and investment objectives.

Aristide Partners' policy is to obtain and maintain supporting client documentation for each client relationship and to keep the documentation accurate and current including client financial background and objectives.

Each advisory agreement must be accompanied by a completed client profile form/questionnaire. A copy of the document shall be maintained in each client file. Advisory representatives shall periodically contact the clients for purposes of determining whether any information provided by the client has materially changed.

## **6. ADVISORY FEES**

The terms of the advisory agreement describing fees must be consistent with information in our Form ADV as currently on file with the appropriate states.

Disclosures regarding excessive advisory fees and specific state requirements regarding fees are discussed in the Disclosure Document section of this manual.

### **6.1 *Disclosure of Additional Compensation***

Another area of disclosure with respect to compensation is the receipt of compensation, direct or indirect, (such as commissions, 12b-1 fees, incentives, gifts or other compensation). Disclosure is required for such compensation received by Aristide Partners, an IAR, control person or affiliate as it relates to client purchases and the payment of referral fees. An investment advisor, unless also registered as a broker, cannot effect transactions in securities for compensation.

## **6.2 Referral Fees**

Aristide Partners does not pay referral fees.

## **6.3 Aristide Partners Policy: Advisory Fees**

### **General Fees**

Aristide Partners' policy is to charge fair and competitive advisory fees and to disclose such fees fully and accurately to clients and prospective clients in Aristide Partners' Form ADV Part 2 and investment advisory agreement.

### **Performance Based Fees**

Aristide Partners' policy is to not charge performance-based fees.

## **6.4 Aristide Partners Procedure: Advisory Fees**

- a. The CCO shall be responsible for periodically (at least quarterly, more frequently if necessary) reviewing the advisory agreement and Form ADV to ensure that the agreement and disclosure regarding advisory fees are accurate, consistent and correct.
- b. No advisory representative shall enter into any solicitation arrangement without the prior written consent of the CCO.
- c. All applicable fees for advisory services are referenced in Aristide Partners' current Form ADV Part 2.

## **7. BOOKS AND RECORDS**

The CCO/Managing Member is responsible for supervising Aristide Partners' books and records, and monitoring and reviewing all Aristide Partners documents. Aristide Partners is required to keep and maintain certain books and records as appropriate for Aristide Partners' business, as itemized below:

- a. A journal or journals, including cash receipts and disbursement records, and any other records of original entry forming the basis of entries in any ledger.
- b. General and auxiliary ledgers (or other comparable records) reflecting asset, liability, reserve, capital, income and expense accounts.
- c. All checkbooks, bank statements, canceled checks and cash reconciliations of Aristide Partners.
- d. All bills or statements (or copies thereof), paid or unpaid, relating to the business of Aristide Partners as such. For example, copies of checks both front and back or similar evidence of payment of invoices must be maintained by Aristide Partners.
- e. All trial balances, financial statements, and internal audit working papers relating to the business of Aristide Partners.
- f. A memorandum of each order given by Aristide Partners for the purchase or sale of a security, of any instruction received by Aristide Partners from the client concerning the purchase, sale, receipt or delivery of a particular security, and of any modification or cancellation of any such order or instruction.

Such memoranda shall:

- i. show the terms and conditions of the order (buy or sell);
- ii. show any instruction, modification or cancellation;
- iii. identify the person connected with the investment advisor who recommended the transaction to the client;
- iv. identify the person who placed the order;
- v. show the account for which the transaction was entered;
- vi. show the date of entry;

- vii. identify the bank, broker or dealer by or through whom executed; and
  - viii. identify orders entered into pursuant to the exercise of Aristide Partners' discretionary authority.
- g. Originals of all written communications received and copies of all written communications sent by Aristide Partners relating to: (A) any recommendation made or proposed to be made and any advice given or proposed to be given; (B) any receipt, disbursement or delivery of funds or securities; or (C) the placing or execution of any order to purchase or sell any security; provided, however, (i) that Aristide Partners shall not be required to keep any unsolicited market letters and other similar communications of general public distribution not prepared by or for Aristide Partners, and (ii) that if Aristide Partners sends any notice, circular or other advertisement offering any report, analysis, publication or other investment advisory service to more than 10 persons, Aristide Partners shall not be required to keep a record of the names and addresses of the person to whom it was sent; except that if such notice, circular or advertisement is distributed to persons named on any list, Aristide Partners shall retain the copy of such notice, circular or advertisement, and a memorandum describing the list and the source thereof.
  - h. A list or other record of all accounts in which the investment advisor is vested with any discretionary power with respect to the funds, securities or transactions of any client.
  - i. All powers of attorney and other evidences of the granting of any discretionary authority by any client to the investment advisor, or copies thereof.
  - j. All written agreements (or copies thereof) entered into by Aristide Partners with any client or otherwise relating to the business of Aristide Partners.
  - k. A copy of each notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication that Aristide Partners circulates or distributes, directly or indirectly, to one or more persons, (other than persons connected with Aristide Partners). If such notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication recommends the purchase or sale of a specific security and does not state the reasons for such recommendation, a memorandum of Aristide Partners indicating the reasons therefore is required.
  - l. Supporting documentation of performance calculations or rates of return, *in any written communication that Aristide Partners directly or indirectly distributes to any person* and maintain originals of all written communications received or sent related to the performance or rate of return.
  - m. Annual Personal Holdings Report: See Section 11.1 of this manual for detailed information.
  - n. Quarterly Personal Securities Transaction Report: See Section 11.2 of this manual for detailed information.
  - o. Disclosure Brochures/Form ADV Part 2: A copy of each written statement and each amendment or revision, given or sent to any client or prospective client of such investment advisor, and a record of the dates that each written statement and each amendment or revision was given, or offered to be given, to any client or prospective client who subsequently becomes a client.
  - p. For investment advisors that provide "Investment Supervisory Services" or otherwise manage client portfolios: Every investment advisor who renders any investment supervisory or management service to any client shall, with respect to the portfolio being supervised or managed and to the extent that the information is reasonably available to or obtainable by the investment advisor, make and keep true, accurate and current:
    - i. Records, showing separately for each such client, the securities purchased and sold, and the date, amount and price of each such purchase and sale.

- ii. For each security in which any such client has a current position, information from which the investment advisor can promptly furnish the name of each such client, and the current amount or interest of such client.
- q. Limited Liability Corporation articles and any amendments, articles of incorporation, charters, minute books, and stock certificate books of Aristide Partners and of any predecessor shall be maintained in the principal office of Aristide Partners and preserved until at least three years after termination of the enterprise.
- r. A record made and kept pursuant to any provision of this rule, which contains all the information required under any other provision, need not be maintained in duplicate in order to meet the requirements of the other provision of the rule.

As used in this rule, the term “discretionary power” shall not include discretion as to the price at which or the time when a transaction is or is to be effected, if, before the order is given by the investment advisor, the client has directed or approved the purchase or sale of a definite amount of the particular security.

### **7.1 Retention of Records**

Aristide Partners is required to maintain books and records as follows:

All books and records must be kept for a period of not less than five (5) years from the end of the applicable fiscal year. They must be retained in an appropriate office of Aristide Partners during the first two (2) years and be accessible for the remaining three (3) years. To comply with the six (6) year recordkeeping requirements for the DOL fiduciary rule, Aristide Partners will retain all records for an additional year.

#### **Maintenance of Electronic Records**

The storage of records by computer medium provides:

- a. The records required to be maintained and preserved, pursuant to this rule, may be immediately produced or reproduced by photograph on film or, on magnetic disk, tape or other computer storage medium, and be maintained and preserved for the required time in that form. If records are produced or reproduced by photographic film or computer storage medium, Aristide Partners shall:
  - i. arrange the records and indexes the films on computer storage medium to permit the immediate location of any particular record;
  - ii. be ready, at all times, to provide, and promptly provide, any facsimile enlargement of film or computer printout or copy of the computer storage medium which the Commission, by its examiners or other representatives, may request;
  - iii. store separately from the original, one other copy of the film or computer storage medium for the time required;
  - iv. with respect to records stored on computer storage medium, maintain procedures for maintenance and preservation of, and access to, records so as to reasonably safeguard records from loss, alteration, or destruction; and
  - v. with respect to records stored on photographic film, at all times have facilities available for immediate, easily readable projection of the film and for producing easily readable facsimile enlargements.
- b. Aristide Partners may maintain and preserve on computer tape, disk, or other computer storage medium records, which, in the ordinary course of Aristide Partners’ business, are created by Aristide Partners on electronic media or are received by Aristide Partners solely on electronic media or by electronic data transmission.

Books and records to be maintained by Aristide Partners shall include the following:

<b>FINANCIAL RECORDS</b>	Cash Receipts/Disbursements
Fee Billing	Balance Sheet
Checks, Bank Statements, Recons	General Ledger/Trial Balance

Payables/Receivables

**CLIENT/ACCOUNT RECORDS**

New Account Form  
Advisory Agreements  
ACAT (if applicable)  
Client Statements  
Powers of Attorney  
List of clients by state  
Client Information Document(s)

**FORM ADV**

Current Form ADV I/ADV2  
Past Form ADV I/ADV2

**ADMINISTRATIVE RECORDS**

State/SEC Correspondence  
Current Advisory Agreement  
Past Advisory Agreements

List of Access Persons

Organizational Chart  
Advertising File  
U4/U5  
Corporate Documents  
Correspondence File  
Complaint File

**COMPLIANCE RECORDS**

Compliance Manual Receipt  
Current Compliance Manual  
Past Compliance Manual  
Personal Holdings Reports  
Privacy Notice  
Code of Ethics  
Business Continuity Plan  
Quarterly Personal Transaction Report

Additionally, if Aristide Partners maintains any branch offices, each branch will maintain a Complaint File and a Copy of the Compliance Manual. The CCO shall be responsible for ensuring that books and records are promptly and accurately prepared and maintained in accordance with rules and regulations summarized above.

**7.2 Records maintenance if Aristide Partners is discontinuing business**

Aristide Partners, before ceasing to conduct or discontinuing business as an investment advisor, shall arrange for and be responsible for the preservation of the books and records required to be maintained and preserved under this rule for the remainder of the period specified in this rule, and shall notify the Commission in writing, at its principal office of the exact address where such books and records will be maintained during such period. Aristide Partners' Record Keeping Checklist is attached (Exhibit C).

**7.3 Records destruction policy**

Aristide Partners will follow the procedures below in determining when and how to destroy personal information:

Aristide Partners will assess whether it is time to dispose of personal information, considering the following points:

Reviewing the purpose for having collected the personal information.

- a. If personal information was used to make a decision about an individual, it should be retained for the legally required period of time – to allow the individual to access that information in order to understand, and possibly challenge, the basis for the decision.
- b. If retaining personal information any longer would result in a prejudice for the concerned individual, or increase the risk and exposure of potential data breaches, the organization will consider safely disposing of it.

Information is mainly stored on two kinds of media:

- a. Hard copy: physical representations of data, such as paper printouts and printer ribbons. This includes, among other things, notes, memos, messages, correspondence, transaction records and reports.
- b. Electronic copy: information stored on electronic media, such as computer hard drives, copier and printer hard drives, removable solid drives including memory, disks and USB flash drives, mobile phones and magnetic tapes.

One or more of the following methods may be used for securely destroying personal information:

- a. By completely destroying the media, whether hard or electronic copy. In a way to ensure that the information stored on it can never be recovered. This can be accomplished using a variety of methods including disintegration, incineration, pulverizing, shredding and melting.
- b. By deleting information using methods that resist simple recovery methods, such as data recovery utilities and keystroke recovery attempts. One method for clearing media is overwriting, which can be done using software and hardware products that overwrite the media with non-sensitive data.
- c. By degaussing, in which magnetic media are exposed to a strong magnetic field to make data unrecoverable. This can be used to protect against more robust data recovery attempts, such as a laboratory attack using specialized tools (for example, signal processing equipment). Degaussing cannot be used to purge nonmagnetic media, such as CDs or DVDs.
- d. If Aristide Partners has to dispose of electronics, it should have a designated person responsible for arranging appropriate data destruction and instruct employees to direct all electronic material and devices to that person.

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

Aristide Partners is required to maintain a Business Continuity Plan to establish emergency preparedness plans and procedures in the event of a significant business disruption and demonstrate how we will respond to events of varying scope. Aristide Partners will review its Business Continuity Plan at least annually.

## **8. ANNUAL OR OTHER REPORTING REQUIREMENTS**

### **8.1 Amendments to Form ADV**

Aristide Partners shall review its Form ADV on an ongoing basis to ensure that the information set forth thereon is current. Specifically, Aristide Partners is required to make the following amendments:

- a. Promptly (within 30 days) for any changes to Items 1, 3, 9, or 11 of Part 1A or Items 1, 2.A through 2.F, or 2.1 of Part 1B
- b. Promptly (within 30 days) for material changes to Items 4, 8, or 10 of Part 1A, Item 2.G of Part 1B, or the information in Aristide Partners' brochure
- c. An Annual Updating Amendment (relative to various information pertaining to Aristide Partners' operations, including its assets under management and its continued eligibility to be registered) within 90 days subsequent to Aristide Partners' fiscal year-end.

In addition, corresponding amendments and disclosures must also be made on Aristide Partners' written disclosure statement as set forth on Part 2A (formerly Part II of Form ADV). It must also be filed electronically whenever material changes occur.

The CCO shall be responsible for reviewing the Form ADV on an ongoing, but no less than a quarterly, basis to ensure that all information is current, correct and accurate. The CCO is responsible for all Form ADV filings.

### **8.2 Amendments to U-4 and Schedule D**

Advisory representatives must inform Aristide Partners of all changes that require an amendment to Form U4 or Schedule D. Typically, this will be a change of home address, a married name (versus a maiden name), and any disciplinary matter, among other things. The CCO is responsible for ensuring the necessary changes are filed with the appropriate regulatory entities.

### **8.3 Form ADV-W**

Form ADV-W is used to withdraw registration as an investment advisor with the SEC and states. It is filed in duplicate with the SEC, as well as filed with state jurisdictions where Aristide Partners is registered.

## **9. FINANCIAL RECORDS**

Aristide Partners shall maintain current and accurate financial records and monitor any applicable state financial reporting requirements. The CCO shall be responsible for maintaining such records and monitoring the applicable reporting requirements.

See the Books and Records section of this manual for additional requirements for financial books and records.

## **10. GENERAL CORPORATE RECORDS**

Corporate organization documents need to be maintained at Aristide Partners' principal office and kept current (such as corporate election of officers, directors, minutes, stock register or all appropriate partnership documents). This information relating to officers, directors, partners, etc., needs to be promptly and correctly reflected on Form ADV, Schedule A, Schedule B, or Schedule C, as appropriate.

## **11. PERSONAL SECURITIES RECORDS**

The personal trading and investment activities of employees of investment advisory firms are the subject of various state securities laws, rules and regulations. Underlying these requirements is the fiduciary capacity in which an investment advisor acts for clients. A fiduciary has a duty of loyalty to clients, which requires that the advisor act in the best interest of the client and always place the client's interests first.

When investment advisory personnel invest for their own accounts, conflicts of interest may arise between the clients' and the employee's interests. The conflicts may include taking an investment opportunity from the client for an employee's own portfolio, using an employee's advisory position to take advantage of available investments, or front-running, which may be an employee trading before making client transactions, thereby taking advantage of information or using client portfolio assets to have an effect on the market which is used to the employee's benefit.

The rules require the reporting of all securities holdings, including listed and unlisted securities, private transactions (which include private placements, non-public stock or warrants) and securities that are not custodial (held in certificate form) in these personal reports.

The following types of securities held by Aristide Partners or its employees and associated persons (covered persons) are not required to be reported to and maintained by Aristide Partners in its records for personal transactions in:

- a. direct obligations of the United States Government;
- b. open-end investment company shares, whether affiliated or non-affiliated;
- c. interests in variable insurance products;
- d. affiliated money market mutual funds;
- e. money market instruments, such as, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements, and other high quality short-term debt instruments.

In addition, a system for review of personal securities holdings for all officers, directors, employees with access to non-public information, and their immediate family's needs to be implemented and maintained to determine if employees are holding securities that may affect the market.

### **11.1 Initial and Annual Holdings Reports**

Within 45 days of an individual becoming an "access person" and on an annual basis, Aristide Partners will maintain written documentation of the individual's personal securities holdings. An "access person" is an advisory person of Aristide Partners who has "access" to non-public information regarding advisory client transactions in securities or non-public information regarding securities recommendations. The records must be for the personal holdings of Aristide Partners, its officers, employees, spouses, minor children, and members of the households of those aforementioned persons, who may have a direct or indirect beneficial interest. This report is located in (Exhibit A).

The documentation will include:

- a. Title and amount of the security held
- b. Name of the broker-dealer or bank of where the security is held

### **11.2 Quarterly Personal Transactions Reports**

Within 30 days of the calendar quarter's end, Aristide Partners will obtain documentation of the personal securities transactions of Aristide Partners, its officers, directors and employees, the spouses, minor children, and members of the households of those officers, directors and employees, as well as any securities transactions in which an officer, director or employee may have a direct or indirect beneficial interest<sup>1</sup>. The report is located in (Exhibit B).

The documentation will include:

- a. Title and amount of the security involved;
- b. Date of the transaction;
- c. Nature of the transaction (purchase or sale);
- d. Price at which the trade was effected; and
- e. Name of the broker-dealer or bank that executed the transaction.

In the event that accounts are maintained away from Aristide Partners, then the employee, officer, or director must instruct the broker-dealer or other entity to supply Aristide Partners with duplicate trade confirmations and statements.

It is recommended that Aristide Partners' procedures include periodic (semi-annual or annual) listings of all members of the covered person's immediate household and of all accounts that are held by these individual(s).

The CCO shall periodically review the records of personal securities transactions and other trading records maintained by Aristide Partners for purposes of detecting and preventing abusive sales practices such as "scalping" or "front running" and to highlight potentially abusive brokerage arrangements.

In addition, all Aristide Partners personnel shall sign an acknowledgment and agreement annually to comply with Aristide Partners policies and procedures, disclose any outside business/other activities, non-custodial securities holdings, and the personal securities accounts for any members of their immediate household and current "beneficial ownership" accounts.

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<sup>1</sup> Such persons are deemed to have a beneficial interest of a security if they (a) have voting or dispositive power with respect to the security AND (b) have a direct or indirect pecuniary interest in the security.

## **12. CODE OF ETHICS**

### **12.1 Summary**

Aristide Partners' Code of Ethics is based on the guiding principle that the interests of the client are our top priority. Aristide Partners' officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put client's interests over the interests of either employees or Aristide Partners.

Aristide Partners views our Code as a living document that exists to ensure that the interests of our clients are continually protected. Aristide Partners reviews the Code annually and update it to keep current with changes in the industry.

### **12.2 Objectives**

The purpose of the Code of Ethics is to ensure that when employees buy or sell securities for their personal account, they do not create actual or potential conflicts with our clients. Aristide Partners does not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

### **12.3 General Provisions**

The Code of Ethics applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

New "access" employees are briefed on the Code and are given a copy when hired or appointed as an advisor. Before being appointed or within one week of their hire, they must indicate, in writing, that they have read the Code and agree to its provisions. After that, Aristide Partners requires them to review the Code annually and acknowledge in writing by March 31 that their personal investing has complied with the requirements.

The following provisions apply to all "access" persons:

*Personal transactions:* The Code requires all persons to report their personal securities transactions to Aristide Partners. This includes any activity in any account where the person has a beneficial interest.

*Reportable securities:* The Code applies to the buying and selling of equities, bonds, closed end mutual funds, options, futures, and private placements. The SEC has exempted from reporting certain securities, including open-end mutual funds, certificates of deposit, and short-term government obligations.

*Brokerage accounts:* All persons must provide Aristide Partners with a current list of their brokerage accounts on an annual basis. Aristide Partners will then instruct the brokerage firm to send duplicate statements and confirms to Aristide Partners' Compliance. Access persons must also provide a list of brokerage accounts controlled by the access person or by anyone who resides in the same household (same address) as the access person.

*Reporting requirements:* All persons must report their personal transactions to Aristide Partners. This is accomplished by the receipt of a Personal Trading Report due by the thirtieth day of the month following a calendar quarter.

*General restrictions:* The following restrictions also apply:

- a. You may not give or accept gifts of a value greater than \$100.
- b. You must get approval of Aristide Partners to serve on a board of directors.

- c. You must get approval of Aristide Partners to participate in private placement transactions.
- d. You must disclose all new brokerage accounts and other securities holdings within ten (10) days of employment or prior to appointment as an investment advisor and quarterly thereafter.

*Pre-clearance of trades:* At this time, Aristide Partners does not require pre-clearance of trades.

*Compliance with Federal and State Security laws:* All persons must comply with applicable Federal and State securities laws.

*Code of Ethics violations:* All persons must report any and all violations of these Code of Ethics promptly to the chief compliance officer or any other person designated in the Code of Ethics.

#### **12.4 Monitoring and Enforcement**

Aristide Partners takes seriously our responsibility to oversee and enforce Aristide Partners' Code of Ethics. The CCO is mandated to supervise Aristide Partners' compliance activities. Additionally, Aristide Partners educates employees through initial orientation and annual review sessions.

The CCO has primary responsibility for ensuring that employees are following all applicable provisions of the Code of Ethics. The CCO also sees that the appropriate procedures and systems are in place to monitor compliance.

When there is reason to believe an employee has violated the Code, the CCO/Managing Member will conduct an in-depth review and will determine the appropriate action to take.

Sanctions under the Code range in severity from a caution to warnings, fines, or dismissal.

### **13. CODE OF ETHICS - INSIDER TRANSACTIONS**

Aristide Partners' policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of Aristide Partners may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security. The Agreement to Abide by Written Policy of Aristide Partners on Insider Trading must be read and signed by every officer, director, advisory representative and employee of Aristide Partners. Covered persons shall direct any questions regarding Aristide Partners' policy on insider trading to the CCO.

#### **13.1 Aristide Partners Procedures: Insider Trading**

a. **Prevention of Insider Trading.** For purposes of preventing insider trading, the CCO shall:

- i. design an appropriate educational program and provide educational materials to familiarize officers, directors, employees and advisory representatives with Aristide Partners' policy;
- ii. answer questions and inquiries regarding Aristide Partners' policy;
- iii. review Aristide Partners' policy on a regular basis and update it as necessary to reflect regulatory and industry changes;
- iv. resolve issues as to whether information received by an officer, director, employee or advisory representative constitutes material and non-public information;
- v. upon determination that an officer, director, employee, or advisory representative has possession of material non-public information:
  - implement measures, including but not limited to Chinese Walls, to prevent dissemination of such information; and,

- restrict officers, directors, employees and advisory representatives from trading on any affected securities;
- vi. hold meetings with all employees at least annually to review the policy.
- b. **Detection of Insider Trading.** For purposes of detecting insider trading, the CCO, or his designee shall, on a quarterly basis:
  - i. review the trading activity reports filed by each officer, director, employee and advisory representative;
  - ii. submit his or her trading records and other relevant information to another senior manager for review;
  - iii. review the trading activity of accounts managed by Aristide Partners;
  - iv. if applicable, review trading activity involving Aristide Partners' own account; and
  - v. coordinate the review of such reports with other appropriate officers, directors, employees and advisory representatives of Aristide Partners.

## 14. CUSTOMER COMPLAINT RECORDS

All complaints (verbal or written) are to be brought to the immediate attention of the CCO. Complaints are NEVER TO BE NEGOTIATED by an IAR. All complaints are to be recorded on the Customer Complaint Log (Exhibit G).

A complaint shall be defined as any statement by a client or any person acting on behalf of a client that alleges a grievance against Aristide Partners, or anyone associated with Aristide Partners, in connection with the solicitation or execution of any securities transaction or the disposition of securities or the funds of that client.

Upon receipt of a complaint, the CCO shall:

- a. Acknowledge receipt of the complaint, in writing, to the client or client's counsel.
- b. Require written memoranda of response from the Investment Advisor involved (as well as any other individuals who may have knowledge of the facts).
- c. Notify legal (if necessary) and promptly transmit all letters, memos and other data to the CCO.
- d. Promptly respond to the customer, when the analysis is complete, maintaining a copy of the response in the file.

## 15. ADVERTISING AND MARKETING (INCLUDES BUSINESS CARDS AND LETTERHEAD)

Rule 206(4)-1 under the Investment Advisers Act of 1940 describes and details the various advertising practices that the regulators view as being fraudulent, deceptive and/or manipulative. Pursuant to this, the following may not be contained in any advertisements by an investment advisor:

- a. Testimonials concerning any advice or service of Aristide Partners. Testimonials are typically in the form of endorsements as to Aristide Partners' services or performance.

Representative client lists may be testimonials and may not be used unless certain conditions are met as follows:

- i. Aristide Partners will not use performance based criteria to determine which clients to include in the list;
- ii. the client list will include the disclaimer "It is not known whether the listed clients approve or disapprove of Aristide Partners or Aristide Partners' services"; and

- iii. each client list will include a statement disclosing the objective criteria used to determine which clients to include in the list.
- b. References to past or specific recommendations of Aristide Partners that were or would have been profitable to a person (accepting advertisements listing or offering to list all recommendations for at least one year together with certain required information and containing a required cautionary clause);
- c. Representations that any graphs, charts, formulas, or devices be used to determine which securities to buy or sell, or when to buy or sell them, unless accompanied by explicit disclosure regarding the limitations and serious difficulties and risks inherent with their use;
- d. Any representation that a service will be provided free of charge unless there is in fact no condition or obligation; or
- e. Any untrue statement of a material fact or which may be false and/or misleading.

While the term “misleading” is not specific in its intent, a regulator generally would base its determination on all the particular facts relative to the advertisement and would look carefully at the form and content of the advertisement, the implications or inferences that could reasonably be made from the advertisement in its total context and the overall sophistication of the audience who was receiving the advertisement’s message. The determination of misleading or false statements is generally judged against a standard of fair and accurate disclosure in keeping with the fiduciary nature of the advisor-client relationship.

Advertisements that compare performance to an index should include performance based on a relevant and meaningful index, and where performance is superior; the advertisement should note any special factors leading to this performance. Any information regarding rates of return must reflect performance, gross or net of brokerage commissions, advisory fees and expenses, as summarized in the following Performance Data Section.

All advertising and marketing materials must be consistent with the fees and services as described in Aristide Partners’ current Form ADV.

**Past Specific Recommendations:** Aristide Partners may list or identify securities that were recommended in the past and that have become profitable only if the specific conditions of the rule are met. (The rule does not apply to current recommendations.) These conditions include offering or including a list of all securities recommended for the past year which must include specific information and disclosure that “It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list”.

Aristide Partners may also distribute reports to clients and prospective clients that identify and discuss certain, but not all, securities bought, sold or managed by Aristide Partners provided certain conditions be met. These conditions include using consistent and objective non-performance based criteria in selecting the securities, not disclosing profits or losses, and maintaining records among others.

**Article Reprints:** Reprints of newspaper or periodical articles about Aristide Partners, or its personnel, are subject to the advertising rules and must not be misleading.

**Client Survey Results:** Aristide Partners’ use of client surveys in advertising or marketing materials that are conducted by an unbiased third party service provider will be viewed as a testimonial. However, such surveys could be used in an advertisement as long as the survey results represent a valid sample, involve no subjective analysis, do not favor positive or negative results and are otherwise consistent with regulatory requirements, among other things.

**Website and Social Media:** Information provided in Aristide Partners’ website and social media is subject to the state’s advertising rules, and also any applicable state regulations. Website and social

media information must therefore be considered advertising and subject to the same policies and procedures for the review, approval and retention of advertising and marketing materials. Regulators search and review the Internet for advertising and performance information provided by advisors.

Advertising or providing advisory services on the Internet may also result in Aristide Partners having to register Aristide Partners/investment advisor representatives in the states unless certain safeguards, checkpoints or disclosures are provided. State regulations should be checked for specific requirements.

Aristide Partners recognizes there are two uses for social media: business and personal. Social media platforms provide a way to communicate and share information quickly and easily with Clients, friends and family. Facebook, Twitter, YouTube, WordPress, LinkedIn and Blogger social media outlets are just a few of the many available outlets.

The Social Media Policy is intended to provide guidance to employees on the use of social media.

#### *Principles of Social Media Use*

All social media exchanges shall follow these four basic principles:

- Treat all social networking as advertising;
- Monitor social media use frequently;
- Maintain comprehensive records of use (see Recordkeeping Responsibilities); and
- Avoid testimonials (don't click on "Like" or "Thumbs-Up" buttons).

#### *Business Use of Social Media*

Aristide Partners allows social media to be used for business purposes under the conditions described within this policy. Social media can be deemed to be sales literature, advertising or communications with the public and Aristide Partners and employees must comply with the applicable rules and internal policies as described in this Compliance Manual.

Social media sites, such as Facebook, Twitter, and LinkedIn can contain both static content and interactive functions. Publicly available websites are considered advertising and the static content, such as profile, background or wall information, must be approved by the Chief Compliance Officer of Aristide Partners prior to posting. The interactive posts are viewed as communications, sales literature or public appearances. While these posts are not required to be approved prior to posting, Aristide Partners is responsible for supervising such communication.

The following types of posting are not allowed:

- Any recommendations;
- Any negative posting about Aristide Partners, its competitors, employees, or etc.;
- Any confidential information about Clients or Aristide Partners;
- Any infringement of copyrighted materials;
- Any fraudulent, deceptive, or false statements; and
- Any testimonials.

Aristide Partners may meet the recordkeeping requirements through one of the following means or a combination of such:

- Hard copies – print and retain content
- Electronic copies – download to Aristide Partners' computer files
- Third Party Service – contract with outside party for retention

### *Third-Party Posts*

Online posts by customers or other third parties are generally not treated as Aristide Partners' communication with the public. However, because registered investment advisors are not allowed to use testimonials, Aristide Partners must monitor the third-party postings. If a posting is deemed a testimonial, Aristide Partners will immediately delete it when Aristide Partners becomes aware of the post.

### *Personal Use of Social Media*

Aristide Partners recognizes the rights of its employees to use social media as a form of self-expression and communication. Aristide Partners does not restrict employees from using social media for personal use, but certain conditions must be agreed to:

1. If employees identify themselves as an employee of Aristide Partners, they must clearly state they are not representing Aristide Partners on these sites;
2. No use of Aristide Partners logo;
3. Refrain from posting items that could reflect negatively on Aristide Partners' reputation;
4. Should not be accessing and posting while on company time;
5. Cannot solicit any firm business through the sites;
6. Protect the privacy of Aristide Partners' Clients, do not post confidential information; and
7. Agree to comply with Aristide Partners' policy.

Employees should use sound judgment and common sense when using social media and take responsibility for what is posted. If an employee becomes aware of any violation of Aristide Partners' policy, he/she should report it immediately to the Chief Compliance Officer.

### *Supervision*

Due to the spontaneous nature of social media, Aristide Partners requires all employees to disclose to Aristide Partners any social media sites which they plan or are using for business purposes in writing. Aristide Partners will review the static content and provide a written approval, denial or required changes. Aristide Partners will review/train all employees on the Social Media Policy. The Chief Compliance Officer will be responsible for reviewing at least on a quarterly basis the approved social media sites. Aristide Partners will maintain a Social Media Log to track social media sites used by employees for business purposes as well its review of these sites.

## **15.1 Use of the Terms "RIA" or "Investment Counsel"**

The SEC prohibits Aristide Partners from representing or implying that it has been approved or endorsed by the SEC. Aristide Partners may indicate that it is registered as an advisor and where applicable, as a broker. The business entity is known as the Registered Investment Advisor and the individual registered with Aristide Partners is known as the Investment Advisor Representative. **No** individual or firm shall use the term "RIA" to refer to itself as the use of these initials implies an educational or professional designation and therefore is misleading.

An investment advisor **may not** refer to itself as an "investment counsel" or use the term to describe its business unless the "principal" business of Aristide Partners is rendering investment advice and a substantial part of Aristide Partners' business consists of rendering "investment supervisory services" as defined on Form ADV.

## **15.2 Use of the Professional Designations**

Aristide Partners prohibits the use of a senior specific certification or designation by any agent in such a way as to mislead any individual. The prohibited use of such certifications or professional designation includes, but is not limited to, the following:

- a. Use of a certification or professional designation by a person who has not actually earned or is otherwise ineligible to use such certification or designation;

- b. Use of a nonexistent or self-conferred certification or professional designation;
- c. Use of a certification or professional designation that indicates or implies a level of occupational qualifications obtained through education, training, or experience that the person using the certification or professional designation does not have; and
- d. Use of a certification or professional designation that was obtained from a designating or certifying organization that: 1. Is primarily engaged in the business of instruction in sales and/or marketing; 2. Does not have standards or procedures for assuring the competency of its designees or certificants; 3. Does not have standards or procedures for monitoring and disciplining its designees or certificants for improper or unethical conduct; or 4. Does not have continuing education requirements for its designees or certificants in order to maintain the designation or certificate.

Prior to the use of any professional designation, an agent must receive approval from the Compliance Department prior to using such designation. In its review of such designations, the Designated Person will consider whether a combination of words (or an acronym standing for a combination of words) constitutes a certification or professional designation indicating or implying that a person has special certification or training in advising or servicing senior citizens or retirees. Among the factors the Designated Person will consider are:

- a. Use of one or more words such as “senior,” “retirement,” “elder,” or like words, combined with one or more words such as “certified,” “registered,” “chartered,” “adviser,” “specialist,” “consultant,” “planner,” or like words, in the name of the certification or professional designation;
- b. The manner in which those words are combined;
- c. Any examination and continuing education requirements; and
- d. Any prohibitions by a state on the use of certain professional designations.

### **15.3 *Aristide Partners Policy: Advertising and Marketing***

Aristide Partners may from time to time utilize advertising for the investment advisory services offered by Aristide Partners. As a matter of Aristide Partners’ policy, advertisements must be truthful and accurate and any advertising that is misleading, fraudulent, deceptive and/or manipulative is prohibited.

For purposes of ensuring compliance with the above advertising and marketing requirements, the following procedures shall be applicable:

- a. Any advertising materials, including stationery and business cards, must be approved by the CCO prior to use. The advertising should be submitted for review along with the Advertising Approval Form. All advertising materials must conform to the standards set forth above.
- b. The CCO, or his designee, shall be responsible for reviewing and approving all advertising materials. The initialing and dating of advertising copy shall indicate approval. In addition, the CCO shall maintain a sequential log of all advertisements reviewed. The CCO shall be responsible for maintaining all advertising records at a readily accessible location and in accordance with applicable laws, rules and regulations.

### **15.4 *Aristide Partners Policy: Performance Data***

Use of Performance Data. Although performance data is not required to be disclosed as part of an advertisement, if it is in fact used, the information must be presented accurately and fairly.

- a. Disclosures.
  - i. **Model or Actual.** When including either model or actual performance data in an advertisement, the following disclosures shall be made:

1. The effect of material market or economic conditions on the results portrayed;
  2. All advisory fees, brokerage commissions or other client paid expenses;
  3. The extent that performance was influenced by reinvestment of dividends;
  4. All material relevant factors when comparing results to an index;
  5. All material conditions, objectives, and investment strategies used to obtain the performance advertised; and,
  6. The potential for loss where the potential for profit is also discussed.
- ii. **Model Only.** Where only model performance factors are used, the following additional disclosures shall also be prominently made:
1. All limitations inherent in model results particularly that such results do not represent actual trading and they may not reflect the impact material economic and market factors might have had on Aristide Partners' decision making if Aristide Partners were actually managing client money;
  2. Where applicable, any material changes in investment strategies or conditions during the period portrayed;
  3. Where applicable, that some or all of the strategies reflected in the model results are not currently offered by Aristide Partners; and,
  4. Where applicable, that Aristide Partners' clients had actual investment results, which were materially different from those shown in the model.
- iii. **Actual Performance Results for Selected Group of Clients** If the results are only for a selected group of clients, the basis on which the selection was made and the effect of this practice on the results shown (if material) must also be disclosed.
- b. **"Net of Fees" Requirement for Performance Advertising** All advertisements must reflect the deduction of advisory fees, brokerage commissions, and other client paid expenses with the following exceptions:
- i. Performance results may be calculated without fees paid to a custodian, where the client generally selects and pays the custodian fee.
  - ii. Gross performance results may be used, but only in one-on-one presentations to wealthy individuals, pension funds, universities, and other institutions, provided that Aristide Partners furnishes the following disclosures:
    1. That the performance results do not reflect the deduction of fees;
    2. That the client's return will be reduced by the advisory fees and other expenses;
    3. Aristide Partners' as shown in Part 2 of Aristide Partners' Form ADV; and,
    4. An example (table, chart, graph or narrative) showing the effect of the compounded advisory fees over a number of years on the value of the client's portfolio.
- c. **Use of Representations Involving GIPS Compliance.** Aristide Partners' performance reporting is not GIPS compliant. No Advertising shall state that Aristide Partners complies with GIPS standards.
- d. **Record Keeping Requirements for Performance Advertising.**
1. **Responsibility** The CCO is responsible for maintaining all performance advertising records at a readily accessible location and in accordance with

applicable laws, rules, and regulations.

2. **Time** At a minimum, all performance advertisements and all documents and supporting records included in the performance figures advertised must be maintained for not less than five years from the end of the fiscal year in which the performance advertisement was last published.

## 16. TRADING

Trading practices must be fair to customers, with a fair and reasonable allocation system. Trading encompasses fiduciary obligations, best execution, soft dollar and other issues. Aristide Partners provides discretionary asset management services.

### **Discretionary Trading**

A discretionary account is an account established with pre-approved authority for an investment advisor representative to execute transactions without having to ask for specific approval. Discretion is the authority to decide:

- a. What security
- b. The number of shares or units
- c. Whether to buy or sell

Aristide Partners will obtain prior, written authority from the client in the advisory agreement granting discretionary authority.

Discretionary accounts will also be subject to the following:

- a. If a trade is executed on a discretionary basis, the representative placing the trade will identify the trade as a discretionary trade at the time the trade is entered for execution.
- b. A record must be kept of all transactions
- c. No excessive trading may occur in the account, relative to the size of the account and the client's investment objectives.

### **16.1 Idle Cash**

The SEC Staff believes that an advisor has a duty to seek to earn the best possible return for a client consistent with the client's investment objectives. This duty applies to both advisors who have custody of client assets and those who do not. Included in this duty is an obligation to invest any idle cash in the client's account. Cash balances that remain idle and uninvested for significant periods, particularly without the client's knowledge and consent, will probably serve as a "red flag" for SEC examiners as an indication of a possible breach of fiduciary duty.

In investing idle cash balances, the advisor is expected to use the same degree of prudence he would employ with client assets generally. In certain circumstances, the SEC has permitted advisors to invest idle cash in affiliated money market funds; however, for accounts subject to ERISA, investments in affiliated funds may constitute prohibited transactions unless certain procedures are followed.

### **16.2 Trading Errors**

As fiduciaries, investment advisors are required to put their clients' interests ahead of their own. This duty is especially evident when it comes to correcting errors made in placing trades for client accounts. All trade errors will be recorded on the Trade Error Form (Exhibit E).

#### **Aristide Partners Trading Errors Policy**

For purposes of these procedures, the term "trade error" shall mean any unintentional mistake directly related to a client account that is the responsibility of Aristide Partners and/or its

employees. Errors may also include compensating a client for any loss on an error, as well as lost investment opportunity in some circumstances. Examples of trade errors include trading in the wrong account, buying or selling the wrong security, entering the wrong price or the wrong number of shares on a trade ticket, or misallocating a grouped order.

- a. Upon becoming aware of a trade error, the CCO shall be responsible for correcting all trade errors on behalf of Aristide Partners and shall maintain a log of all trade errors. The CCO shall review, on a quarterly basis, the log of trade errors to determine whether any patterns of trade errors exist.
- b. Aristide Partners shall resolve any trade errors in client accounts so that the client is made "whole". Accordingly, Aristide Partners shall be responsible for all costs and expenses incurred in reversing the trade and for all measurable damages incurred by the client in connection with the trade error.
- c. In the event the trade error results in a gain to the client, the client shall be entitled to keep the gain upon correction of the trade error unless the funds have not entered the client's account. The exception to this would be if the custodian has policies to retain any gain.
- d. Client assets shall not be utilized for purposes of correcting trade errors. Soft dollars **may not** be used to pay for correcting Aristide Partners' trading error. In an SEC letter to Charles Lerner, Director of Enforcement, Department of Labor, dated October 25, 1988, the SEC stated:
  - i. "The Division believes that an investment manager has an obligation to place orders correctly for its advised and non-advised accounts. Accordingly, if an investment manager makes an error while placing a trade for an account, then the investment manager, in order to comply with its obligation to the customer, must bear any costs of correcting such trade. Because an investment manager itself is responsible for any losses resulting from an inaccurate or erroneous order placed for an advised account, a broker provides no value to that advised account by offsetting the trade and carrying the loss. Instead, this conduct solely benefits the investment manager."
- e. Unless good cause exists, the CCO shall correct all trade errors in accordance with these procedures within two business days following the discovery of such trade errors. When appropriate, the CCO, or his designees, shall be responsible for notifying the client about the trade error.

### **16.3 Trading Allocation Procedures**

An investment advisor may not allocate trades in such a way that the advisors own (or affiliated) account(s) receive more favorable treatment than Aristide Partners' client accounts. Allocation procedures should be fair and equitable to all client types with no group being favored or disfavored over any other group.

- a. **General Prohibitions on Trading.** Aristide Partners and all persons associated with Aristide Partners are prohibited from:
  - i. Employing any device, scheme or artifice to defraud any client or prospective client;
  - ii. Engaging in any transaction, practice or course of business that operates as a fraud or deceit upon any client or prospective client;
  - iii. Engaging in any act, practice or course of business that is fraudulent, deceptive or manipulative;
  - iv. Directly or indirectly acquiring any beneficial interest in securities of an initial public offering or private placement in which Aristide Partners is allocated shares, without the prior written consent from the Chief Compliance Officer;

- v. Acting as a principal for its own account; or
- vi. Knowingly selling or buying any security from an advisory client.

**b. Trade Allocation.**

Aristide Partners shall use the formula set forth below for purposes of allocating securities among clients. The formula shall provide a fair and equitable basis for allocations and shall be consistently applied to all clients. Prior to the allocation of securities by Aristide Partners, the company shall determine if a client's investment objectives and suitability requirements qualify the client for participation in purchasing a specific security. If the client qualifies for participation, Aristide Partners will allocate a portion of the total allocation to the client based on the following formula:

Securities Allocable to Client = Total Allocation to Firm x Assets of Client under Management/Total Assets of all Participating Clients under Management

**c. Compliance with SEC Rule 3a-4.**

There may be certain circumstances when the management by an investment advisor of client assets in model portfolios could cause the investment advisor to fall under the definition of "Investment Company" under the Investment Company Act of 1940. In order to avoid this classification and for purposes of satisfying the safe harbor from the definition of "investment company" set forth in Rule 3a-4 of the Investment Company Act of 1940, Aristide Partners and its employees shall comply with the following requirements:

- i. Each client account shall be managed on the basis of that client's individual financial situation, investment objectives and instructions;
- ii. The advisory representatives shall obtain information from each client that is necessary to manage the client's account individually;
- iii. The advisory representatives shall be available to consult with clients about their personal circumstances and portfolios;
- iv. Each client shall have the ability to impose reasonable restrictions on the management of their account;
- v. Each client shall be provided with a quarterly statement containing a description of all activity in the client's account;
- vi. Each client shall retain the indicia of ownership of all securities and funds in the account;
- vii. In the event that a third party is designated to perform certain obligations set forth in these procedures, then Aristide Partners shall obtain, from that third party, a written agreement to perform those services;
- viii. Aristide Partners shall preserve and maintain the policies, procedures, agreements and other documents relating to its investment advisory operations; and
- ix. Aristide Partners shall furnish to the state securities division, upon demand, copies of all specified documents.

#### **16.4 Aggregation of Orders**

Until recently, there have been conflicts and restrictions for aggregating orders of various client types, such as individuals, ERISA plans, investment companies, with the orders on behalf of accounts advised by the investment advisor in which Aristide Partners, its employees and principals have economic interests ("proprietary accounts"). All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rata basis.

There was a no-action relief based on several conditions as outlined below:

- a. Aristide Partners' policies for the aggregation of transactions shall be fully disclosed in Aristide Partners' Form ADV and separately to Aristide Partners' existing clients and the broker-dealer through which such orders are placed;
- b. Aristide Partners will not aggregate transactions unless aggregation is consistent with its duty to seek best execution and the terms of advisor's investment advisory agreement with each client for which trades are being aggregated;
- c. no advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all Aristide Partners' transactions in that security on a given business day, with transaction costs shared pro-rata based on each client's participation in the transaction;
- d. Aristide Partners will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients;
- e. if the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement; if the order is partially filled, it will be allocated pro-rata based on the Allocation Statement;
- f. notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved in writing by advisor's compliance officer no later than one hour after the opening of the markets on the trading day following the day the order was executed;
- g. Aristide Partners' books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account;
- h. funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the client's cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement;
- i. Aristide Partners will receive no additional compensation of any kind as a result of the proposed aggregation; and
- j. individual investment advice and treatment will be accorded to each advisory client.

Aristide Partners will have in place procedures and mechanisms that are reasonably designed to implement the aggregation policies. Periodic reviews should be conducted to ensure no accounts are being systematically disadvantaged.

Aristide Partners may choose not to aggregate proprietary accounts with those of clients, in which case, disclosure of that fact should be made in Aristide Partners' Form ADV Part 2 along with the potential consequences of not aggregating proprietary and client accounts in an order.

## **16.5 Best Execution**

As part of its obligation of best execution, an advisor must avoid "interpositioning", or placing a client transaction through a broker-dealer (for a commission) which then, in turn, places the order with a market maker (for which a mark-up/down is charged), when the order could be placed directly with the market maker for no disclosed brokerage commission and with no loss of service.

Investment advisors who manage or supervise client portfolios have a fiduciary obligation of best execution. In essence, an advisor is required to “execute securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” When evaluating brokers, the advisor is obligated to weigh such factors as the value of research provided, the commission rates charged, the ability to negotiate commissions, the ability to obtain volume discounts, execution capability, financial responsibility and responsiveness to the investment advisor. Furthermore, an advisor should periodically and systematically evaluate the performance of broker-dealers executing its client’s transactions.

Typically, to achieve best execution, an advisor may “bunch” or block client orders. If bunch trading is not available, the advisor is required to disclose to clients that it will not bunch transactions and the fact that clients may pay higher commissions as a result.

Aristide Partners is responsible to review its best execution responsibilities when directing brokerage to any broker-dealer (including affiliates) and in determining commission discounts and disclosing any conflict of interest inherent in this direction.

### **16.6 *Directed Brokerage***

Aristide Partners does not allow clients to direct brokerage.

### **16.7 *Soft Dollars***

“Soft Dollar” practice is defined as arrangements under which products or services, other than execution of securities transactions, are obtained by Aristide Partners from or through a broker-dealer in exchange for the direction by Aristide Partners of client brokerage transactions to the broker-dealer.

Aristide Partners utilizes the services of custodial broker dealers. Economic benefits are received by Aristide Partners which would not be received if Aristide Partners did not give investment advice to clients. These benefits include: a dedicated trading desk, a dedicated service group and an account services manager dedicated to Aristide Partners' accounts, ability to conduct "block" client trades, electronic download of trades, balances and positions, duplicate and batched client statements, and the ability to have advisory fees directly deducted from client accounts.

### **16.8 *Principal Trading and Agency Cross Transactions***

Aristide Partners does not engage in any principal or agency cross transactions.

## **17. WRAP FEES**

Aristide Partners does not sponsor a wrap fee program.

## **18. FINANCIAL PLANNING**

Aristide Partners requires all financial planning activities conducted by the investment advisor representative for compensation be conducted through Aristide Partners. By its general nature, financial planning is a broad term that may or may not include advice on securities. Financial planning activities may be offered by advisors to customers or prospective customers based on the customer’s needs and desires.

### **18.1 *Required Agreements***

Prior to entering into a relationship with a client to provide financial planning services, Aristide Partners is required to enter into a financial planning agreement using the standard form supplied by Aristide Partners. A copy of any agreement entered into by a customer for financial planning services are required to be provided to Aristide Partners’ Operations Department.

### **18.2 *Billing for Financial Planning Services***

All financial planning fees are to be paid directly to Aristide Partners. Payment may not be made payable to any individual representative of Aristide Partners.

### **18.3 *Duties in Providing Financial Planning Services***

Aristide Partners is responsible for conducting financial planning activities in a manner that is consistent with requirements as a fiduciary. Under no circumstances may Aristide Partners:

- employ any device, scheme, or artifice to defraud a customer or prospective customer
- engage in any practice, transaction, or course of business, which defrauds or deceives a customer or prospective customer
- engage in fraudulent, manipulative, or deceptive practices

In meeting such requirements, Aristide Partners has:

- a duty to have a reasonable, independent basis for its investment advice
- a duty to ensure that its investment advice is suitable to the client's objectives, needs and circumstances
- a duty to be loyal to clients.

## **19. ERISA MATTERS**

Investment advisors have special fiduciary responsibilities under the Employee Retirement Income Security Act of 1974 (ERISA). Aristide Partners does not act as an investment manager for advisory clients that are governed by ERISA.

## **20. CUSTODY**

A firm is deemed to have custody of client assets when it holds "directly or indirectly client funds or securities or has any authority to obtain possession of them". Examples under which an advisor has custody include:

- a. Advisor has custody when it has possession of client funds or securities even briefly. An advisor that holds clients' stock certificates or cash, even temporarily, and puts those assets at risk or misuse or loss. Excluded from this is inadvertent receipt by Advisor of client funds or securities, so long as Advisor returns them to the sender within three business days of receiving them. The rule does not permit Advisor to forward clients' funds and securities without having "custody" although Advisor may certainly assist clients in such matters. Additionally, Advisor's possession of a check drawn by the client and made payable to a third party is not possession of client funds for purposes of the custody rule.
- b. Advisor has custody if it has the authority to withdraw funds or securities from a customer's account. An advisor with power of attorney to sign checks on a client's behalf, to withdraw funds or securities from a client, or to dispose of client funds or securities for any purpose other than authorized trading has access to the client's assets. Similarly, an advisor authorized to deduct advisory fees or other expenses directly from a client's account has access to, and therefore custody of, the client funds and securities in that account.
- c. An advisor has custody if it acts in any capacity that gives the advisor legal ownership of, or access to, the client funds or securities. One common instance is a firm that acts as both general partner and investment advisor to a limited partnership. By virtue of its position as general partner, the advisor generally has authority to dispose of funds and securities in the limited partnership's account and thus has custody of the client's assets.

In addition, separate books and records are required when an advisor has custody.

Aristide Partners is deemed to have custody where Aristide Partners is paid from client funds upon presentation of a bill to the custodian of the client's account. Rule 206A(4)-2, requires advisors that have custody maintain client funds and securities with a broker-dealer, bank or other qualified custodian. All custodians Aristide Partners works with are "qualified custodians."

### **20.1 *Aristide Partners Procedures: Custody of Client Assets***

For purposes of complying with the Advisors Act custody rules, the following procedures shall be applicable:

**Payment of Fees.** Pursuant to its existing investment advisory programs, Aristide Partners' fees are generally paid from client funds upon presentation of a bill to the custodian of the client's account. Aristide Partners shall undertake the following procedures:

- a. Aristide Partners shall, on a monthly basis, send the client a statement showing the amount of the fee, the client's assets upon which the fee was based and the specific manner in which the fee was calculated;
- b. Aristide Partners shall disclose to the client on the monthly statement that it is the client's responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee was properly calculated;
- c. Aristide Partners shall send a bill to the custodian indicating only the amount of the fee to be paid by the custodian;
- d. The client shall authorize Aristide Partners in the investment management agreement or otherwise in writing to receive fees directly from the client's account being held by the custodian; and
- e. The custodian shall agree to send the client, at least quarterly, a statement indicating all amounts disbursed from the account.

**Inadvertent receipt of Funds.** Aristide Partners shall undertake the following procedures: Aristide Partners maintains a spreadsheet of Cash Receipts and Disbursements of client funds. Client funds are recorded in the amount received, payable to, the date received and the date forwarded. Client funds are immediately forwarded to appropriate third party. The Chief Compliance Officer, or his designee, is responsible for opening all mail and making all deposits.

## **21. TELEMARKETING RULE**

In accordance with the Telephone Consumer Protection Act of 1991, the Federal Communications Commission instituted a "Cold Calling Rule." The purpose of this rule is to establish procedures eliminating telephone solicitations to residences, which have requested that the solicitations cease, and to place the use of automatic telephone dialing systems, pre-recorded and/or artificial voice messages and facsimile machines under some uniform regulation.

The following guidelines will be strictly adhered to on any solicitation of customer or sales utilizing cold calling and any violations will result in disciplinary action:

**Time Restriction:** Cold calls are not permitted to a called party's location before 8 a.m. or after 9 p.m.

**Restriction Lists:** Any called party, which requests that cold calls no longer be made to them will have their names added to a list maintained by Aristide Partners. Any employee who receives such a request from a called party is required to immediately give the individual's name to the appropriate individual for addition to the list. Prior to making any telemarketing calls, all names of prospective clients shall be checked against the National do-not-call list. In no event shall prospects, who are not existing clients and whose names appear on the do-not-call list, be called for telemarketing purposes.

**Identification:** Any employee making a cold call will provide the called party with:

- e. the caller's name
- f. the name of Aristide Partners
- g. Aristide Partners' telephone number
- h. Aristide Partners' address

If there are any questions concerning what is and is not permitted concerning cold calling, please direct your questions to the CCO.

All telemarketing calls shall strictly follow a script that has been reviewed and approved by the CCO.

## **22. PRIVACY POLICY**

Aristide Partners' Privacy Policy Notice is provided in the form of a consumer brochure.

### **22.1 Notices to Clients**

- a. Aristide Partners will deliver an initial privacy notice before or at the time the client relationship is established.
- b. Aristide Partners will deliver our privacy notice to clients on an annual basis. Verification of delivery will be documented in a spreadsheet with the date, manner of delivery and client name to whom the notice was sent.

### **22.2 Safeguarding Client Information**

Aristide Partners will employ the following safeguards in order to make a reasonable effort to safeguard client information:

- a. Require new and existing employees to review and provide written acknowledgement of the Aristide Partners' Compliance Manual including this privacy policy.
- b. Prohibit employees from providing client information over the telephone or via e-mail unless the employee has identified the recipient as the client, an authorized representative of the client, or an authorized agent of the client.
- c. Limit access to client personal information by safeguarding and securing Client Records.
- d. Use appropriate security measures for computers and networks such as password and firewalls.
- e. Use a shredding machine, locks, or other physical security measures.
- f. Engage a third party provider only after the provider has agreed to adhere to these same security and privacy standards.

Aristide Partners has implemented the following policies and procedures for our Identity Theft Prevention Program.

Aristide Partners has identified the following as "red flags":

- a. The photo or physical description on the ID is not consistent with the appearance of the customer. Information on the ID is inconsistent with the information provided by the customer.
- b. Alerts have been issued from regulatory bodies or law enforcement of which the staff is yet unaware.
- c. An application appears to have been altered or forged.
- d. There are requests for suspicious activity on an account, such as electronic bank transfers to third party or requests for account information from an unknown source.

To help identify red flags, the following procedures will be followed:

- a. The staff will be trained to look carefully at IDs to determine whether or not the individual in the photo looks like the client or whether or not the address provided by the client matches the one listed on the ID.
- b. Client names will be compared to lists provided by regulatory bodies and/or law enforcement (such as OFAC list).
- c. The staff will be trained to look at all applications for possible alterations.
- d. Verification of identification will be required to help ensure that all requests are authentic and not fraudulent.

When a red flag has been identified, Aristide Partners will respond by executing the appropriate measure(s) described below:

- a. A second form of ID will be required before proceeding if the initial ID is suspect. If none is provided, the process is halted.
- b. The acting regulatory body will be contacted regarding suspicious activity.
- c. Information is reviewed and any fraudulent looking documentation will be re-executed.
- d. If the client cannot provide proper information to verify identification, the transaction will not be completed.

This program will be approved by and will be administered by Aristide Partners' CCO. Aristide Partners will hold an annual meeting, including administrative staff, to provide continuing education. The staff will remain vigilant and research new regulations on an annual basis and update the policies and procedures accordingly.

### **22.3 Cyber Security Policy**

Aristide Partners will, at minimum, require the following procedures regarding cyber security:

- a. All employees will be required to use strong passwords and follow Aristide Partners' guidelines for Internet usage.
- b. All employees computers will be installed with the latest security software, web browser, and operating systems that will help to provide a defense against viruses, malware, and other online threats. Antivirus software will run a scan after each update.
- c. Aristide Partners will provide a firewall to prevent outsiders from accessing data on a private network. Aristide Partners will ensure the operating system's firewall is enabled to have the ability to install free firewall software available online. If employees work from home, their home system must be protected by a firewall.
- d. Mobile devices are required to have user protected passwords, data must be encrypted, and security apps must be installed to aid in preventing information from being stolen while the phone is on public networks. A lost or stolen mobile device must be reported immediately to Aristide Partners.
- e. Regular backup of data on all computers is required. This includes word processing documents, electronic spreadsheets, databases, financial files, human resources files, and accounts receivable/payable files. At a minimum this will be done weekly and copies will be stored offsite or in the cloud.
- f. Each employee is required to prevent access or use of their business computer and/or laptop by unauthorized individuals. Laptops should be locked up if they are left unattended. Aristide Partners will issue a separate user account for each employee that requires a strong password. Administrative privileges should only be given to trusted IT staff or key personnel.

- g. Aristide Partners will secure, encrypt and hide all Wi-Fi networks for the workplace. A password will be required to access Aristide Partners' Wi-Fi network.
- h. Additional security obligations pursuant to agreements with the Aristide Partners' banks or processors may be required.
- i. Employees will only be given access to specific data systems that are needed for their required job function. Installation of any software is not allowed without permission.
- j. Passwords will be required to be changed every three months. In addition, multifactor authentication that requires additional information beyond a password to gain entry is required. Any outside source or vendor should also offer multifactor authentication to access an account.
- k. All client personal and private information is required to be erased or destroyed before disposal.

It is the responsibility of the Chief Compliance Officer, or his designee, to ensure that Aristide Partners' policy is performed and adhered to in accordance with this policy and that each employee is aware of them.

#### **22.4 Financial Services Data Breach Notification Policy**

If a data breach occurs, Aristide Partners will:

- a. Assess the nature and scope of the incident and identify what customer information systems and types of customer information have been accessed or misused;
- b. Notify the appropriate regulator as soon as possible when we become aware of an incident involving unauthorized access to or use of sensitive customer information;
- c. In situations involving criminal violations requiring immediate attention, such as when a reportable violation is ongoing, promptly notify appropriate law enforcement authorities;
- d. Take appropriate steps to contain and control the incident to prevent further unauthorized access to or use of customer information; and
- e. Notify customers when warranted in a manner designed to ensure that a customer can reasonably be expected to receive it.

##### Sensitive Customer Information:

For purposes of this guidance, sensitive customer information means a customer's name, address or telephone number in conjunction with the customer's Social Security number, driver's license number, account number, credit or debit card number, or a personal identification number or password that would permit access to the customer's account. It also includes any combination of components of customer information that would allow someone to log on to or access the customer's account, such as user name and password or password and account number.

##### When Customer Notice Should be Provided

Aristide Partners will provide notice to its customers whenever it becomes aware of an incident of unauthorized access to customer information and, at the conclusion of a reasonable investigation, determines that misuse of the information has occurred or it is reasonably possible that misuse will occur.

##### Customer Notice

Customer notice should be given in a clear and conspicuous manner. The notice should include the following items:

- a. Description of the incident;
- b. Type of information subject to unauthorized access;
- c. Measures taken by Aristide Partners to protect customers from further unauthorized access;

- d. Telephone number customers can call for information and assistance; and
- e. Remind customers to remain vigilant over next twelve to twenty four months, and report suspected identity theft incidents to Aristide Partners and the appropriate authorities.

Notify the nationwide consumer reporting agencies prior to sending notices to a large number of customers that include contact information for the reporting agencies.

### **22.5 *Delivery of Customer Notice***

Customer notice should be delivered in a manner designed to ensure that a customer can reasonably be expected to receive it. For example, Aristide Partners may choose to contact all customers affected by telephone or by mail, or by electronic mail for those customers for whom it has a valid e-mail address and who have agreed and given permission to receive communications electronically.

## **23. SUPERVISION**

Investment Advisor Representatives and “Access Persons” are hired, trained and supervised by the CCO. Aristide Partners screens new personnel for qualifications and disciplinary history. All persons providing investment advice will be registered in accordance to the registration requirements of their applicable state. All employees will be kept current on any material firm or regulatory changes through internal e-mail and periodic trainings.

Our compliance Chain of Command is:

CHIEF COMPLIANCE OFFICER: **Kevin Aristide**  
MANAGING MEMBER: **Kevin Aristide**

### **23.1 *Aristide Partners Procedures: Supervision***

Aristide Partners has adopted written policies and procedures, which are designed to set standards for the firm, its employees, and its businesses and are reasonably designed to detect and prevent any violations of regulatory requirements and Aristide Partners’ policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals and departments he or she supervises to detect, prevent, and report any activities inconsistent with Aristide Partners’ policies, procedures, and high professional standards.

Aristide Partners shall perform an annual risk-based testing program in order to verify the adequacy of its policies and procedures. In developing its program, it will take into account:

- a. New business lines or products;
- b. Customer complaints;
- c. Regulatory concerns;
- d. Past audit findings;
- e. Investment advisor misconduct or disclosures; and
- f. Primary nature and volume of business.

The testing program will not only document findings, but also any remediation implemented as a result of finding.

### **23.2 *Gifts, Rebates or Other Payments***

Due to the numerous relationships Aristide Partners has with its clients and other entities, employees **may not** solicit gifts or gratuities. In addition, gifts of an extraordinary or extravagant nature to an employee are to be declined or returned in order to not compromise the reputation of the employee or Aristide Partners. Gifts of nominal value or those that are customary in the industry such as meals, entertainment, etc. are appropriate. All gifts given to clients or received by employees must be recorded on the Gift Ledger (Exhibit F).

Any form of a loan by an employee to a client or by a client to an employee is not allowed as a matter of Aristide Partners policy and good business practice.

Any questions about gifts, gratuities or other payments to or from employees are to be reviewed by the employee's supervisor and the CCO.

### **23.3 *Aristide Partners Policy: Money Laundering***

As of May 2013, investment advisors have not been identified as entities that must comply with the AML regulations. Aristide Partners does not manage money, therefore the risk of any anti-money laundering occurring is non-existent, but Aristide Partners does take precautions to knowing its clients.

It is the policy of Aristide Partners to prohibit and actively prevent money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the unlawful proceeds appear to have derived from legitimate origins or constitute legitimate assets. Reasonable procedures will be implemented to prevent, detect, and report any possible money laundering activities to the appropriate authorities.

The CCO is familiar with federal requirements pertaining to AML. The CCO is responsible for investigating any "red flags" thoroughly. Specifically, advisors should be sensitive to the following:

- a. Activity inconsistent with a client's business or background;
- b. Refusal or delays in provided requested documents or client information;
- c. Transactions inconsistent with a client's financial background;
- d. Lack of client interest in investment risks, commission charges, or performance;
- e. Client questions about regulatory reporting requirements;
- f. Frequent large purchases or movement of funds;
- g. Frequent deposits or withdrawals of funds; and
- h. Transactions in cash or checks just under \$10,000.

Aristide Partners has established procedures to gather information for all accounts for the Customer Identification Program ("CIP"). The information includes: client's name, address, date of birth, telephone number, description of client's primary business, social security number or tax identification number and copy of government-issued document such as driver's license, passport or other similar document. Aristide Partners shall keep for five years (6 years if retirement investor) after the closure of a customer's account all information collected during account opening and a record of all verification steps (if any) that have been taken with respect to a customer.

Aristide Partners has adopted written policies and procedures, which are designed to set standards for Aristide Partners, its employees, and its businesses and are reasonably designed to detect and prevent any violations of regulatory requirements and Aristide Partners' policies and procedures. Every employee and manager is required to be responsible for and monitor those individuals and departments he or she supervises to detect, prevent, and report any activities inconsistent with Aristide Partners' policies, procedures, and high professional standards.

Should Aristide Partners be obligated to run the CIP information against the SDN Search based on the custodial agreement, Aristide Partners will run the client information provided by the Office of Foreign Assets Control at <http://sdnsearch.ofac.treas.gov/>.

If a true match of the client is determined to have occurred, the CCO will call the OFAC Hotline at 1-800-540-6322. If the CCO determines that filing a Suspicious Activity Report ("SAR") is warranted,

the report generally should be filed within thirty days of the discovery of the suspicious activity. The CCO may file a report using the Form SAR-SF.

### **23.4 *Aristide Partners Policy: Regulatory Visits and Press Inquiries***

In the event an individual from any federal, state, or self-regulatory organization either contacts Aristide Partners in writing, by telephone or arrives for an inspection of any of Aristide Partners' places of business, the CCO/Managing Member must be notified immediately.

In the event of any inquiry from any member of the press, any and all such inquiries must be referred to our CCO/Managing Member immediately.

## **24. PROXY VOTING POLICY**

Without exception, Aristide Partners does not vote proxies on behalf of clients. All proxy materials received on behalf of a client account are to be sent directly to our client or a designated representative of the client, who is responsible for voting the proxy. Aristide Partners' personnel may answer client questions regarding proxy-voting matters in an effort to assist the client in determining how to vote the proxy. However, the final decision of how to vote the proxy rests with the client.

## **25. REPORTING VIOLATIONS (Whistleblower Policy)**

Aristide Partners is committed to high standards of ethical, moral and legal business conduct. In line with this commitment, and Aristide Partners' commitment to open communication, this policy aims to provide an avenue for both Associates and Aristide Partners employees to raise concerns and reassurance that they will be protected from reprisals or victimization for whistleblowing. This policy is intended to cover protections for you if you raise concerns regarding Aristide Partners, such as:

- a. Incorrect financial reporting;
- b. Unlawful activity;
- c. Activities that are not in line with Aristide Partners' policy, including the Policy on Ethics; or
- d. Activities, which otherwise amount to serious improper conduct.

Aristide Partners' Policy on Ethics requires Associates to report instances of misconduct to Aristide Partners. Aristide Partners offers several ways to report misconduct. Associates are encouraged to discuss such issues with their immediate supervisor. If circumstances warrant further action, or if a discussion with a supervisor would not be appropriate under the circumstances, Associates should contact the Compliance Department. Alternatively, more serious violations of securities laws and regulations may also be reported directly to Aristide Partners' primary regulators, via the tip links on the front pages of their web-sites, as follows:

Illinois

- <https://www.cyberdriveillinois.com/departments/securities/>
- [Springfield Office: 217-782-2256](tel:217-782-2256) or [Chicago Office: 312-793-3384](tel:312-793-3384)

Anyone reporting misconduct in good faith to any of these sources will be protected against retaliation.

### **25.1 *Aristide Partners Policy: Financial Exploitation of Seniors***

Aristide Partners is also committed to reporting guidelines regarding elder abuse, vulnerable or other "Qualified" adults, and/or Senior Safe provisions. All investment advisor representatives, employees, "Access Persons" or other affiliated individuals who are defined in the rule or statute, collectively referred to as "reporters" shall adhere to the protection and protocols as outlined. This protection standard may include, but is not limited to, training and adherence to the following areas:

- a. Providing explanations of the conduct which would constitute exploitation of a qualifying adult.
- b. The manner in which exploitation may occur and detailed criteria on potential “red flags” that would trigger the reporting standard.
- c. Investigative processes in the event of an exploitation.
- d. Instruction on the reporting processes and forms used to report a known or suspected event.
- e. Powers that may be authorized to delay or prohibit fund disbursements upon receiving knowledge of such an event.
- f. Training in compliance to applicable government and law enforcement agency record requests.

Anyone reporting misconduct in good faith may be protected against liability. Aristide Partners will consult and refer to the applicable reporting agency and rule/statute to confirm immunity provision(s) prior to the release of client information.

Aristide Partners has appointed Kevin Aristide as the designated individual to develop and implement these requirements.

**EXHIBIT A            INITIAL AND ANNUAL PORTFOLIO HOLDINGS REPORT**  
**ARISTIDE PARTNERS LLC (“ARISTIDE PARTNERS”)**

Employee Name: \_\_\_\_\_

I am reporting below all personal portfolio holdings information required to be reported pursuant to Aristide Partners’ Personal Trading Policy. Securities reported must be current within 45 days of the date of this report.

Required Portfolio Holdings to Report

I am required to report holdings of all securities held in accounts in which I have a direct or indirect beneficial ownership interest as described in Aristide Partners – Personal Trading Policy.

Transactions not Required to be Reported

I am not required to report holdings in the following securities: registered open-end investment companies, securities issued by the United States Government, bankers’ acceptances, bank certificates of deposit, commercial paper, money market mutual funds and other money market instruments.

PORTFOLIO HOLDINGS INFORMATION

Check one or more applicable boxes:

- I have no reportable personal securities holdings.
- I have reportable personal securities holdings, as disclosed below.
- I have reportable securities holdings, as disclosed on the attached brokerage statements.
- Aristide Partners is in receipt of brokerage statements reflecting my personal securities holdings.

Account Number	Security Name and Ticker/CUSIP	Number of Shares/Par	Principal Amount	Broker or Bank Name

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Attach additional sheets as necessary.

**EXHIBIT B                      QUARTERLY PERSONAL TRANSACTION REPORT  
FOR THE QUARTER-ENDED \_\_\_\_\_**

**ARISTIDE PARTNERS LLC (“ARISTIDE PARTNERS”)**

Employee Name: \_\_\_\_\_

I am reporting below all transactions required to be reported for the quarter pursuant to Aristide Partners’ Personal Trading Policy. I have completed and returned this report by the 30th calendar day following quarter-end.

Required Transactions to Report

I am required to report all transactions of securities in which I have a direct or indirect beneficial ownership interest. Securities include stocks, bonds, closed-end mutual funds and exchange-traded funds. I am also required to report any transaction executed within an automatic investment plan that overrides a pre-determined schedule.

Transactions Not Required to be Reported

I am not required to report shares of registered open-end investment companies, securities issued by the United States Government, bankers’ acceptances, bank certificates of deposit, commercial paper, money market mutual funds and other money market instruments and transactions effected through an automatic investment plan as described in Aristide Partners’ Personal Trading Policy.

**TRANSACTION REPORTING**

Check one or more applicable boxes:

- I had no reportable transactions during the period.
- I had reportable transactions, as disclosed below.
- I had reportable transactions, as disclosed on the attached brokerage statements.
- Aristide Partners is in receipt of brokerage statements reflecting my reportable personal securities transactions.

**REPORTABLE TRANSACTIONS**

Trade Date	Security Name and Ticker/CUSIP	Number of Shares/Par Int. Rate/Maturity	Purchase Sale Other	Price	Principal Amount	Broker Name	Account Number

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Attach additional sheets as necessary.

**EXHIBIT C**

**Aristide Partners RECORD KEEPING CHECKLIST**

<b>Record</b>	<b>Responsible Party</b>	<b>Location</b>	<b>Retrieval Mechanism</b>	<b>Date Last Reviewed</b>
<b>FINANCIAL RECORDS</b>				
Cash Receipts and Disbursements				
General Ledgers and Trial Balance				
Checks, Bank Statements, Reconciliations				
Quarterly Fee Billing				
Balance Sheet				
Payables/Receivables				
<b>CLIENT/ACCOUNT RECORDS</b>				
New Account Form				
ACAT (if applicable)				
Advisory Agreements				
Client Statements				
Questionnaire(s)				
Order Memoranda				
List of clients by state				
List of Discretionary Clients				
Powers of Attorney				
Holdings by Client				
Holdings by Security				
<b>FORM ADV</b>				
Current Form ADV Part 1/ADV Part 2				
Past Form ADV Part 1/ADV Part 2				
<b>ADMINISTRATIVE RECORDS</b>				
State/Sec Correspondence				
Current Advisory Agreement				
Past Advisory Agreement				
List of Access Persons				
Organizational Chart				
Trade Error Report				
U4/U5 Filings				
Corporate Documents				
Complaint File				
Correspondence File				
Advertising File				
<b>COMPLIANCE RECORDS</b>				
Current Compliance Manual				
Past Compliance Manual				
Compliance Manual initial/annual signoff				
- Code of Ethics				
- Business Continuity Plan				
- Privacy Notice				
Personal Holdings Report Initial/Annual				
Quarterly Personal Transaction Report				

**EXHIBIT D                    ACKNOWLEDGEMENT OF RECEIPT**

**ARISTIDE PARTNERS LLC (“ARISTIDE PARTNERS”)**

**POLICIES AND PROCEDURES MANUAL**

I acknowledge that I have received a copy of Aristide Partners LLC (“Aristide Partners”) Policies and Procedures Manual. This agreement includes Aristide Partners’ Compliance Manual, Code of Ethics, Privacy Policy, Insider Trading Policy, Personal Securities Records, and the Business Continuity and Disaster Plan.

I understand that all Aristide Partners and Aristide Partners’ client information is confidential and may not be distributed in any way nor discussed with anyone who is not an employee of Aristide Partners.

I have read and understand the contents of this Agreement and will act in accordance with these policies and procedures as a condition of my employment with Aristide Partners.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Name (Please Print)

\_\_\_\_\_  
Title

April 5, 2018

**EXHIBIT E      TRADE ERROR FORM**

Today's Date	
Client's Name	
Client's Account Number	
IAR's Name	
Date of Transaction	
Amount of Transaction	
Product/Security	
Description of Error	
Date of Correction	
Amount of Loss Incurred	
Who is responsible for expense of loss?	
Client Notified Date	
Signature of IAR	
Date	
Signature of Supervisor	
Date	



