ESI Financial Advisors

Investment Adviser Policies and Procedures Manual

May 19, 2023

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Chapter 1 - Introduction

1.1 Policy

Equity Services, Inc. ("ESI") is a dually-registered broker-dealer/registered investment adviser, which conducts advisory business under the name of ESI Financial Advisors ("EFA"). EFA is a registered investment adviser with the U.S. Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940 ("Advisers Act"). Throughout this document, ESI and EFA may be referred to, collectively, as "the Firm".

Our Firm has a strong reputation based on the professionalism and high standards of the Firm and its employees. For the purposes of this manual, "employees" include those individuals, registered and non-registered, employed at the Firm's Main Office of Supervisory Jurisdiction ("OSJ") located in Montpelier, VT, as well as those individuals, registered and non-registered, who are affiliated (i.e. fingerprinted persons) with ESI, and work at its various branch (OSJ and non-OSJ) locations.

As a SEC-registered adviser, EFA and our employees are subject to various requirements under the Advisers Act and rules adopted under the Advisers Act and our Code of Ethics. These requirements include various anti-fraud provisions, which makes it unlawful for advisers to engage in any activities which may be fraudulent, deceptive or manipulative.

These antifraud provisions include the SEC Compliance Programs of Investment Companies and Investment Advisers ("Compliance Programs Rule") (SEC Rule 206 (4)-7) which requires advisers to adopt a formal compliance program designed to prevent, detect and correct any actual or potential violations by the adviser or its supervised persons of the Advisers Act, and other federal securities laws and rules adopted under the Advisers Act.

Elements of EFA's compliance program include the designation of a Chief Compliance Officer ("CCO"), adoption and annual reviews of these IA Compliance Policies and Procedures, training, and recordkeeping, among other things.

Our IA Policies and Procedures cover EFA and each officer, member, or partner, as the case may be, and all employees and Investment Adviser Representatives ("IAR") who are subject to EFA's supervision and control ("Supervised Persons").

1.2 Written Supervisory Procedures

The Firm's Policies and Procedures are designed to meet the requirements of the SEC IA Compliance Program Rule and to assist the Firm and our Supervised Persons in preventing, detecting and correcting violations of law, rules and our policies.

The IA Policies and Procedures cover many areas of the Firm's business and compliance requirements. Each section provides the Firm's policy on the topic and provides our Firm's procedures to ensure that the particular policy is followed.

EFA's CCO is responsible for administering the IA Policies and Procedures.

Compliance with the Firm's Policies and Procedures is a requirement and a high priority for the Firm and each person. Failure to abide by the policies set forth in this manual may expose the individual and/or the Firm to significant consequences which may include disciplinary action, termination, regulatory sanctions, potential monetary sanctions and/or civil and criminal penalties.

The CCO will assist with any questions about EFA's Policies and Procedures, or any related matters. Further, in the event any employee becomes aware of, or suspects, any activity that is questionable, or a violation, or possible violation of law, rules or the Firm's policies and procedure, the CCO or his/her designee is to be notified immediately.

The Firm's Policies and Procedures will be updated on a periodic basis to be current with its business practices and regulatory requirements. This Compliance Policies & Procedures Manual (the "Manual") is not a full operational procedures manual and does not constitute legal advice. It is intended to provide a general understanding of the regulatory rules and requirements that apply to the procedures contained in this Manual. The Manual should accurately reflect EFA's business practices. Questions or comments about the Manual should be directed to the Compliance Department ("Compliance").

In developing this Manual, EFA considered the material risks associated with its operations. This risk evaluation process is ongoing, and Compliance will periodically review this Manual to ensure that EFA's policies and procedures adequately address all applicable risks. The contents of this Manual, as well as the policies, procedures, and benefits contained herein, may be changed by EFA without prior notification. Accordingly, this Manual will be updated periodically. The electronic version of this Manual is the official version of this Manual. It is important that the controlling document be referenced in implementing all procedures. The official version of this Manual will be maintained by Compliance and available for Employee review. Employees are encouraged to review the Manual on a periodic basis. Updates to the Manual may be communicated or distributed via several methods including, but not limited to, email, mailings, or online.

1.3 Compliance

All IARs who are affiliated with ESI Financial Advisors and all firm employees who are affiliated or have responsibilities for ESI Financial Advisors must comply with policies and procedures outlined in this manual. This manual is provided to IARs and EFA employees upon affiliation with the Firm. This manual is also available on the ESI website.

Rule 206(4)-7 under the Advisers Act requires each registered investment adviser to:

- Adopt and implement written policies and procedures reasonably designed to prevent violation, by the adviser and its Employees, of the Advisers Act and the rules thereunder;
- Review the adequacy of these policies and procedures, and assess the effectiveness of their implementation, at least annually; and
- Designate a chief compliance officer who is responsible for administering the policies and procedures.

1.4 Definitions

The following defined terms are used throughout this Manual. Other terms are defined within specific sections of the Manual.

- **Access Person** – An Access Person is an Employee who has access to non-public information regarding trading who is involved in making Securities recommendations to Clients, or who has access to non-public Securities recommendations. All Employees (includes all officers, directors, partners, members, employees and IARs) are considered Access Persons.
- **Advisers Act** – The Investment Advisers Act of 1940.
- **Beneficial Interest** – An individual has a Beneficial Interest in a Security if he or she can directly or indirectly profit from the Security. An individual generally has a Beneficial Interest in all Securities held directly or indirectly, as well as those owned directly or indirectly by family members sharing the same household.
- **Chief Compliance Officer (CCO)** – Named individual with overall responsibility for the Firm's compliance program.
- **CFTC** – The Commodity Futures Trading Commission.
- **Client** – The person or entity to whom EFA provides investment advisory services.
- **Employee** – EFA's officers, directors, partners, members, employees or any other person (including its IARs), who provides investment advice on the Company's behalf and is subject to the Company's supervision or control.

- **Exchange Act** – The Securities Exchange Act of 1934.
- **Federal Securities Laws** – The Federal Securities Laws include the Securities Act, the Exchange Act, the Sarbanes-Oxley Act of 2002, the IC Act, the Advisers Act, Title V of the Gramm-Leach-Bliley Act, any rules adopted by the SEC under any of these statutes, the Bank Secrecy Act as it applies to investment companies and investment advisers, and any rules adopted thereunder by the SEC or the Department of the Treasury.
- **IC Act** – The Investment Company Act of 1940.
- **Insider Trading** – Trading personally or on behalf of others on the basis of Material Non-Public Information, or improperly communicating Material Non-Public Information to others.
- **IPO** – An initial public offering. An IPO is an offering of Securities registered under the Securities Act where the issuer, immediately before the registration, was not subject to the reporting requirements of sections 13 or 15(d) of the Exchange Act.
- **Material Non-Public Information** – Information that (i) has not been made generally available to the public, and that (ii) a reasonable investor would likely consider important in making an investment decision.
- **Nonpublic Personal Information** – Regulation S-P defines "Nonpublic Personal Information" to include personally identifiable financial information that is not publicly available, as well as any list, description, or other grouping of consumers derived from nonpublic personally identifiable financial information.
- **Private Placement** – Also known as a "Limited Offering." An offering that is exempt from registration pursuant to sections 4(2) or 4(6) of the Securities Act, or pursuant to Rules 504, 505, or 506 of Regulation D.
- **Qualified Custodian -** Financial institutions that clients and advisers customarily turn to for custodial services. These include banks and savings associations and registered broker-dealers.
- **Security** – The SEC defines the term "Security" broadly to include stocks, bonds, certificates of deposit, options, interests in Private Placements, futures contracts on other Securities, participations in profit-sharing agreements, and interests in oil, gas, or other mineral royalties or leases, among other things. "Security" is also defined to include any instrument commonly known as a Security.
- **SEC** – The Securities and Exchange Commission.
- **Securities Act** – The Securities Act of 1933.

Chapter 2 - Marketing

2.1 Policy

EFA uses various advertising and marketing materials to obtain new advisory clients and to maintain existing client relationships. EFA's policy requires that any advertising and marketing materials must be truthful and accurate, consistent with applicable rules, and reviewed and approved by a designated employee. EFA's policy prohibits any advertising or marketing materials that may be misleading, fraudulent, deceptive and/or manipulative.

2.2 Background

Section 206 of the Advisers Act prohibits EFA from engaging in fraudulent, deceptive or manipulative activities. The SEC has issued extensive guidance in this area that defines certain advertising practices as violating Section 206 and Rule 206(4)-1 thereunder. These provisions are designed to prevent any adviser from directly or indirectly misleading clients by the use of fraudulent, deceitful, or manipulative advertising materials.

2.3 Definitions

a. **Advertisement** –
   - Any direct or indirect communication an investment adviser makes to more than one person[1], or to one or more persons if the communication includes hypothetical performance, that offers the investment adviser's investment advisory services with regard to securities to prospective clients or investors in a private fund advised by the investment adviser or offers new investment advisory services with regard to securities to current clients or investors in a private fund advised by the investment adviser, but does ***not*** include:
     i. Extemporaneous, live, oral communications[2];
     ii. Information contained in a statutory or regulatory notice, filing, or other required communication, provided that such information is reasonable designed to satisfy the requirements of such notice, filing, or other required communications; or
     iii. A communication that includes hypothetical performance that is provided:
        1) In response to an unsolicited request for such information from a prospective or current client or investor in a private fund advised by the investment adviser; or
        2) To a prospective or current investor in a private fund advised by the investment adviser in a one-on-one communication;
   - Any endorsement or testimonial for which an investment adviser provides compensation, directly or indirectly, but does not include any information contained in a statutory or regulatory notice, filing, or other required communication, provided that such information is reasonably designed to satisfy the requirements of such notice, filing, or other required communication.

b. **Disqualifying Commission Action** – a Commission (i.e. SEC) opinion or order barring, suspending, or prohibiting the person from acting in any capacity under the Federal securities laws.

c. **Disqualifying Event** – any of the following events that occurred within 10 years prior to the person disseminating an endorsement or testimonial:
   - A conviction by a court of competent jurisdiction within the United States of any felony or misdemeanor involving conduct described in paragraph (2)(A) through (D) of section 203(e) of the Act;

[1] "One-on-one" communications are excluded from the definition of "advertisement". This exclusion also applies to communications with multiple natural persons representing a single entity or account.

[2] Extemporaneous, live, oral communications do not include prepared remarks or speeches, such as those delivered from scripts, nor does it include slides or other written materials distributed in connection with a presentation. Also, the exclusion is not available to extemporaneous, live, *written* communications, such as texts or electronic chats.

- A conviction by a court of competent jurisdiction within the United States of engaging in any of the conduct specified in paragraphs (1), (5), or (6) of section 203(e) of the Act;
- The entry of any final order by any entity described in paragraph (9) of section 203(e) of the Act, or by the U.S. Commodity Futures Trading Commission or a self-regulatory organization (as defined in the Form ADV Glossary of Terms)), of the type described in Paragraph (9) of section 203(e) of the Act;
- The entry of an order, judgment or decree described in paragraph (4) of section 203(e) of the Act, and still in effect, by any court of competent jurisdiction within the United States; and
- A Commission order that a person cease and desist from committing or causing a violation or future violation of:
  i. Any anti-fraud provision of the Act;
  ii. Section 5 of the Securities Act of 1933

d. Endorsement – any statement by a person other than a current client or investor in a private fund advised by the investment adviser that:

- Indicates approval, support, or recommendation of the investment adviser or its supervised persons or describes that person's experience with the investment adviser or its supervised persons;
- Directly or indirectly solicits any current or prospective client or investor in a private fund for the investment adviser; or
- Refers any current or prospective client of, or an investor in a private fund advised by, the investment adviser.

e. **Impersonal Investment Advice** – investment advisory services that do not purport to meet the objectives or needs of specific individuals or accounts.

f. **Ineligible Person** – a person who is subject to a disqualifying commission action or is subject to any disqualifying event, and the following persons with respect to the ineligible person:

- Any employee, officer, or director of the ineligible person and any other individuals with similar status or functions within the scope of association with the ineligible person;
- If the ineligible person is a partnership, all general partners; and
- If the ineligible person is a limited liability company managed by elected managers, all elected managers.

g. **Person** – a natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

h. **Promoter –** a person providing a testimonial or endorsement.

i. **Related Person** – Any advisory affiliate and any person that is under common control with the firm.

j. **Testimonial** – any statement by a current client or investor in a private fund advised by the investment adviser;

- About the client or investor's experience with the investment adviser or its supervised persons;
- That directly or indirectly solicits any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser; or
- That refers any current or prospective client or investor to be a client of, or an investor in a private fund advised by, the investment adviser.

k. **Third-party Rating** – a rating or ranking of an investment adviser provided by a person who is not a related person an such person provides such ratings or rankings in the ordinary course of its business.

Any materials concerning EFA's advisory services, even if given to only **one** prospective client (as in the case of a one-on-one presentation), are subject to the general antifraud provisions of the Federal securities laws.

2.4. Prohibited Practices

Advertisements may **not**:

a. Include any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statement made, in light of the circumstances under which it was made, not misleading;
b. Include a material statement of fact that the adviser does not have a reasonable basis for believing it will be able to substantiate upon demand by the Commission;
c. Include information that would reasonable be likely to cause an untrue or misleading implication or inference to be drawn concerning a material fact relating to the investment adviser;
d. Discuss any potential benefits to clients or investors connected with or resulting from the investment adviser's services or methods of operation without providing fair and balanced treatment of any material risks or material limitations associated with the potential benefits;
e. Include a reference specific investment advice provided by the investment adviser where such investment advice is not presented in a manner that is fair and balanced;
f. Include or exclude performance results, or present performance time periods, in a manner that is not fair and balanced; or
g. Otherwise be materially misleading.

2.5 Content of Advertisements

Advertisements must not describe resources or capabilities that do not exist. Also, any advertisement using exaggerated or hyperbolic language would be considered misleading.

2.5.1 Representation of Past Advice

As a matter of policy, EFA does not permit the use of representations of past advice in advertising. However, advertisements that use representations of past advice must contain all of the adviser's recommendations for at least the past year. Such advertisements may include an offer to provide the reader, upon request, with a list of recommendations. But, in that event, past recommendations may not be "highlighted" or summarized.

2.5.2 Participation in Websites

EFA employees and IARs may not participate in or maintain any website regarding securities or investment advisory services without prior written approval of the Advertising Guidance Team ("AGT").

2.5.3 Unsolicited Articles

Unsolicited articles appearing in independent publications may be used as advertisements, subject to certain conditions. In particular, EFA must be careful to provide additional information that serves to balance the article with other unfavorable articles or to, in some fashion, put the article in perspective. The AGT will determine whether unsolicited articles can be used as advertisements.

2.5.4 Effects of SEC Registration

The SEC prohibits advisers from representing or implying that they have been approved or endorsed by the SEC. EFA may indicate that it is registered as an investment adviser and where applicable, as a broker. EFA may not use the initials "RIA" (the Firm must spell out Registered Investment Adviser – Securities and Exchange Commission) after its name as the use of these initials implies an educational or professional designation and is, therefore, deemed to be misleading.

2.5.5 Use of Term "Investment Counsel"

EFA may not refer to itself as an "investment counsel" or use the term to describe its business unless EFA's principal business consists of acting as investment adviser, and a substantial part of EFA's business consists of rendering investment supervisory services. IARs may not use the term "investment counsel" in advertising.

2.5.6 False and Misleading

The determination of whether an advertisement is false or misleading is generally determined based on a standard of fair and accurate disclosure in keeping with the fiduciary nature of the adviser-client relationship. Some examples of practices that are not permitted in EFA advertisements are:

a. Gains stated in percentage terms;
b. Arithmetic average of percentage gains of all recommendations;

c. Graphs with exaggerated slope;
d. Implying assured profits;
e. Misrepresentations of capabilities or size;
f. Concealing financial insolvency;
g. Failure to emphasize risks; and
h. Other unprofessional conduct.

2.5.7 Mutual Fund Marketing Materials

Additional rules apply to advertisements and sales literature for mutual funds that are outside the scope of this Manual. All questions concerning whether a given communication constitutes advertising or sales literature for funds should be directed to the AGT.

2.5.8 Social Media

Social media (Facebook, LinkedIn, Twitter, etc.), blogs, and other electronic forums are interactive sites or postings where postings are considered real time and may involve a dialog with third parties. They are considered “public appearances” by regulators. Participation in interactive blogs or other interactive electronic forums for business purposes is generally prohibited. Static blogs are merely websites periodically updated with new content and would be treated as such.

Business services may not be listed on any social media site as outlined in the Social Media Compliance and Advertising Policy if they are not set up for review via the Firm’s social media monitoring platform, Hearsay Social (“Hearsay). Participation in interactive blogs or other interactive electronic forums for business purposes is generally prohibited. Static blogs are merely websites periodically updated with new content and would be treated as such.

The use of social media, blogs, websites, and other electronic forums for the purposes of advertising, soliciting business, or in any way communicating about Firm business is subject to the following requirements.

2.5.8.1 Definitions

Social Media: Form of interactive online communication in which users can generate and share content through text, images, audio, and/or video. Postings are considered real time and may involve a dialog with third parties. They are considered “public appearances”. Social media is a dynamic and constantly evolving technology, therefore the definition is meant to be illustrative and not exhaustive.

Static sites or postings: Information that is posted and does not change unless changed by the person or entity that posted the information. Static postings are considered "advertising" under regulatory rules and require prior approval.

Interactive sites or postings: Sites where there are spontaneous communications between parties which are *considered "public appearances".*

2.5.8.2 Permitted Social Media

The use of specific media requires the prior approval by the AGT. Facebook Business, Instagram, LinkedIn, YouTube and Twitter are currently the only social media mediums currently approved for use. A RR is required to submit their social media page to the AGT prior to first use or as soon as their registrations are approved by ESI, if they have an existing profile prior to joining ESI. Once approved, RRs are required to use Hearsay. Hearsay is a third party tool which allows the Firm to pre-review content, retain, monitor, and reproduce social media activity as required.

IARs are prohibited from making specific securities or investment advisory recommendations on social media. Postings must be only general in nature regarding the RR and ESI’s services. HearSay has available pre-approved templates for information that may be posted on social media.

2.5.8.3 Approval

IARs may not post to the Internet any business-related information without prior review and approval by the AGT. Only social media sites that are approved for business purposes and are subject to pre-review and approval requirements via the Firm's social media monitoring platform (HearSay) may be used.

The use of websites, or other electronic communication systems is subject to those sections of the Written Supervisory Procedures.

2.5.8.4 Monitoring of Electronic Communications
IARs must register their business-related social media website(s) with the Firm's approved third-party vendor for the monitoring and archiving of electronic communications.

2.5.8.5 Third-Party Postings
IARs may not selectively delete or alter third-party comments, or their presentation, to promote a more favorable message than what the comment communicates. For example, IARs may not remove only negative comments from their social media website. Positive and negative comments must be equally weighted in their placement and presentation. However, IARs may remove profane, unlawful, or otherwise offensive content, as necessary, to maintain professional and respectful content. Removing such content does not implicate the Firm in the posting for the purposes of the Rule.

To the extent that a social media platform allows such functionality, IARs may not sort third-party content in such a manner that gives more favorable content prominence over that which is less favorable.

IARs may not be involved in the preparation, presentation, endorsement, approval, or editing of comments on a third-party website or social media platform. Doing so may attribute the comments to EFA in violation of the Firm's pre-approval requirement for advertising. However, IARs are permitted to "like", "share", or "endorse" features on a third-party website or social media platform.

2.5.8.6 Posting Third-Party Content
IARs who post third-party content to their social media or public website may not alter such content. Amending the content, particularly in a favorable manner, could attribute the content to the Firm and/or the IAR. Posting of third-party content must be in compliance with *Section 2.4 (Procedure)* of these written supervisory procedures.

2.5.8.7 Hyperlinks
IARs may not include hyperlinks to unapproved third-party content on their social media or public website.

2.5.8.8 Personal Social Media Accounts and Content
IARs must keep their business-related and personal content separate on social media and public websites. As such, IARs are prohibited from posting business-related content, comments, advertising, or other such information on their personal social media websites.

2.5.8.9 Complaints
The Firm will treat any complaints posted by a customer of the Firm on social media as a complaint subject to complaint procedures in these Written Supervisory Procedures.

2.5.8.10 Legal Liability
RRs and employees may be disciplined by the Firm for commentary, content, or images that violate this policy including those that are defamatory, pornographic, proprietary, harassing, libelous, or that can create a hostile work environment.

2.6 Performance

The use of performance results in advertising is subject to the requirements of SEA 206(4)-1 and the anti-fraud provisions contained therein. As a matter of practice, EFA does not publish performance information

related to its proprietary advisory programs – i.e. those on the ESI Illuminations platform. All performance information is determined by Envestnet and is provided by Envestnet to individual clients on the client's quarterly reports. In the event that the EFA publishes performance information, its policy requires that any performance information and materials must be truthful and accurate and must be prepared and presented in a manner consistent with applicable rules and regulatory guidelines. EFA's policy prohibits any performance information or materials that may be misleading, fraudulent, deceptive and/or manipulative.

If the Firm was to publish performance information, the SVP, Sales and Business Development or designee has the responsibility for ensuring any such materials are reviewed and approved according to the Firm's policies. The AGT is responsible for the review and approval of any performance information to ensure materials are consistent with our policy and regulatory requirements.

2.6.1 Model/Actual Performance Results

To avoid unwarranted implications or inferences, all material facts in a performance advertisement must be disclosed. Specifically, advertisements may not be used if they:

- Fail to disclose the effect of material market or economic conditions on the results portrayed;
- Include model or actual results that do not reflect the deduction of advisory fees, brokerage or other commissions or other expenses a client would have or actually paid. The SEC has relaxed its position with respect to custodial fees and has stated that such fees do not need to be included in the net calculation;
- Fail to disclose whether and to what extent the results reflect the reinvestment of dividends and other earnings;
- Make claims regarding the potential for profit without also disclosing the possibility of loss;
- Compare results to an index without disclosing all material facts relevant to the comparison;
- Fail to disclose any material conditions, objectives, or investment strategies used to obtain the results portrayed;
- Fail to disclose prominently the limitations inherent in model results - especially that they do not represent actual trading and thus may not reflect the possible decision-making impact of material economic and market factors if EFA actually were managing client funds;
- Fail to disclose, if applicable, that the conditions, objectives, or investment strategies of the model portfolio changed materially during the time portrayed, and if so, the effect of any such changes;
- Fail to disclose, if applicable, that the securities or investment strategies reflected in the model portfolio do not relate, or only partially relate, to the type of advisory services currently offered by EFA;
- Fail to disclose, if applicable, that EFA's clients had materially different results from those portrayed in the model;
- Fail to disclose prominently, if applicable, that the results portrayed related only to a select group of EFA's clients, the basis on which the selection was made, and any material effect of this practice on the results portrayed; or
- Fail to include the statement "Past performance does not guarantee future performance."

2.6.2 Use of Performance Data

Advertisements may not use the following absent the specified criteria for inclusion:

1) Any presentation of gross performance, unless the advertisement also presents net performance:
    i) with at least equal prominence to, and in a format designed to facilitate comparison with, the gross performance; and
    ii) calculated over the same time period, and using the same type of return and methodology, as the gross performance.
2) Any performance results of any portfolio or any composite aggregation for one-, five-, and ten-year periods, unless each result is presented with equal prominence and ends on a date that is no less recent than the most recent calendar year-end; except that if the relevant portfolio did not exist for a particular prescribed period, then the life of the portfolio must be substituted for that period.

3) Any statement, express or implied, that the calculation or presentation of performance results in the advertisement has been approved or reviewed by the SEC.
4) Any related performance, unless it includes all related portfolios; provided that related performance may exclude any related portfolios if:
    i) The advertised performance results are not materially higher than if all related portfolios had been included; and
    ii) The exclusion of any related portfolio does not alter the presentation of any applicable time periods prescribed above.
    iii) Any extracted performance, unless the advertisement provides, or offers to provide promptly, the performance results of the total portfolio from which the performance was extracted.
5) Any presentation of hypothetical performance, unless:
    i) The hypothetical performance is relevant to the likely financial situation and investment objectives of the intended audience;
    ii) The advertisement provides sufficient information to enable the intended audience to understand the criteria used and assumptions made in calculating such hypothetical performance; and
    iii) The advertisement provides sufficient information to enable the intended audience to understand the risks and limitations of using such hypothetical performance in making investment decisions.

2.6.3 Portability of Performance - Performance results created at a former employer may be "portable" under certain circumstances. The AGT will determine whether any prior performance may be used in EFA advertisements.

2.7 Testimonials and Endorsements

The use of testimonials and endorsements in advertising is permitted in accordance with the requirements enumerated in this chapter.

2.7.1 Promoters

The adopting release to SEC rule 206(4)-1 uses the term "promoter" to refer to individuals who provide a testimonial or endorsement, whether compensated or uncompensated. EFA permits business referral relationships (also known as "solicitor" relationships) in accordance with governing federal and state regulations. Individuals who refer business to EFA for compensation trigger the requirements of SEC rule 206(4)-1. Such individuals are subject to the requirements of Sections 2.7.3 through 2.7.5 below, specifically, and all other terms outlined in the applicable written agreement.

2.7.2 Content of Testimonials and Endorsements

Testimonials and endorsements may not contain language that is promissory or misleading. Statements must be in good taste and comport with the general content standards discussed in Sections 2.4 and 2.5 of this Chapter.

2.7.3 Required Disclosures

An advertisement may not include any testimonial or endorsement, and an adviser may not provide compensation, directly or indirectly, for a testimonial, endorsement, or solicitation unless it complies with the following:

1. Required disclosures – the adviser discloses or reasonably believes that the person giving the testimonial or endorsement discloses, clearly and prominently, the following at the time the testimonial or endorsement is disseminated:
    a. Whether the Promoter is a client of the Adviser, as applicable;
    b. That cash or non-cash compensation was provided for the testimonial or endorsement; and
    c. A brief statement of any material conflicts of interest on the part of the person giving the testimonial or endorsement resulting from the adviser's relationship with the person;

2. The material terms of any compensation arrangement, including a description of the compensation provided or to be provided, directly or indirectly, to the person for the testimonial or endorsement; and
3. A description of any material conflicts of interest on the part of the person giving the testimonial or endorsement resulting from the investment adviser's relationship with such person and/or any compensation arrangement.

2.7.4 Written Agreement

If providing compensation to a person in return for a testimonial or endorsement, the adviser must have a written agreement with the person that describes the scope of the agreed-upon activities and the terms of compensation for those activities.

2.7.5 Disqualification

Neither EFA nor its IARs may compensate a person, directly or indirectly, for a testimonial or endorsement if the either EFA or the IAR knows, or in the exercise of reasonable care should know, that the person giving the testimonial or endorsement is an ineligible person at the time the testimonial or endorsement is disseminated.

2.7.6 Exemptions

1. A testimonial or endorsement by the adviser's partners, officers, directors, or employees, or a person that controls, is controlled by, or is under common control with the adviser, or is a partner, officer, director or employee of such a person is not subject to the requirements of sections 2.7.4 above, provided that:
    a. the affiliation between the adviser and such person is readily apparent to or is disclosed to the client at the time the testimonial or endorsement is disseminated, and
    b. the adviser documents such person's status at the time the testimonial or endorsement is disseminated.

2.7.7 Third-party Ratings

An advertisement may not include any third-party rating, unless the adviser:

1. Has a reasonable basis for believing that any questionnaire or survey used in the preparation of the third-party rating is structured to make it equally easy for a participant to provide favorable and unfavorable responses, and is not designed or prepared to produce any predetermined result; and
2. Clearly and prominently discloses, or the adviser reasonably believes that the third-party rating clearly and prominently discloses:
    a. The date on which the rating was given and the period of time upon which the rating was based;
    b. The identity of the third party that created and tabulated the rating; and
    If applicable, that compensation has been provided directly or indirectly by the adviser in connection with obtaining or suing the third-party rating.

2.7.8 Social Media

Testimonials and endorsements are not permitted via the review/recommendations features available on many social media platforms. Individuals who wish to post testimonial or endorsement language to their social media website must create a post and submit it to the Advertising Guidance Team for review and approval prior to posting on the website. Testimonials and endorsements must contain appropriate disclosures prior to being made publicly viewable on the platform.

2.7.9 Editing/Removing Testimonials and Endorsements

Testimonials and endorsements may be edited to correct factual errors and/or remove:

- Profane, defamatory or offensive statements;
- Threating language;
- Materials that contain viruses or other harmful components;
- Spam;
- Unlawful content; or

- Materials that infringe on intellectual property rights.

2.8 Responsibility

The CCO, Life & Annuity Compliance Solutions ("L&A Compliance") is responsible for implementing and monitoring EFA's policy and for reviewing and approving any advertising and marketing to ensure any materials are consistent with EFA's policy and regulatory requirements. L&A Compliance is also responsible for maintaining, as part of EFA's books and records, copies of all advertising and marketing materials with a record of reviews and approvals in accordance with applicable recordkeeping requirements (see "Books and Records" in the Table of Contents).

Questions regarding this policy or related procedures should be directed to the L&A Compliance CCO or personnel of the AGT (a subset of L&A Compliance).

2.9 Procedure

EFA has adopted procedures to implement its policy and to monitor and help ensure that the policy is observed, implemented properly and amended or updated, as appropriate, which may be summarized as follows:

2.9.1 Review and Approval of Advertisements

Each employee is responsible for ensuring that approved materials are not used or modified without the express written authorization of the AGT. All advertisements (including testimonials/endorsements), promotional materials of EFA and its IARs, and third-party advertising materials that have been modified must be reviewed and approved prior to use by the AGT. Branch Office Supervisors are responsible for reviewing and approving all such materials after dissemination to a single client. Such materials also are reviewed during each field office's annual audit. The foregoing restriction does not apply to the use of "form" or "model" advertisements that previously have been approved by the AGT for use by EFA personnel.

2.9.2 Submission of Advertisements For Review and Approval

All advertising materials submitted for review should include any documentation supporting any claims, statements, statistics, analysis presented in the materials. All advertising materials submitted to the AGT will be entered into a database maintained by the AGT, which has been created to provide EFA with an automated submittal, tracking and archive system for all advertising materials.

2.9.3 Sign-off

All advertising and marketing materials must receive sign-off by the AGT prior to first use. The initialing and dating of advertising materials by a member of the AGT either on the material or on an accompanying cover letter will document its approval.

2.9.4 Maintenance and Supporting Documentation

The AGT is responsible for maintaining copies of any advertising and marketing materials, including (i) any reviews and approvals and (ii) any documentation supporting any claims, statements, statistics, analysis presented in the materials, for a total period of five years following the last time any material is disseminated. Approved advertising materials are kept in electronic form on a secure server.

2.9.5 Non-Advertising Correspondence

IARs must submit all non-advertising correspondence to be provided at one-on-one conferences (excluding electronic correspondence conducted through the National Life e-mail system) to the Branch Office Supervisor for sign-off subsequent to distribution. Each Branch Office Supervisor will keep copies of such correspondence for review by the Compliance personnel or its designated person during the field office inspection.

2.9.6 Third-Party Advertising Materials

EFA does not review or approve unmodified advertising materials provided by third party investment adviser registrants for use by EFA or its IARs because those materials are subject to applicable regulatory requirements imposed upon such third-party investment adviser registrants by virtue of their

registration with the SEC. Any proposed modification of third-party marketing materials must be submitted for review and approval by the AGT prior to use with the public.

2.9.7 Social Media

With the exceptions of LinkedIn, Facebook, Twitter, Instagram, and YouTube, EFA does not permit IARs to use social networking sites for business purposes. These site are approved for business-related networking, subject to Firm requirements and restrictions, such as prior approval and registration with HearSay. AGT must review and approve all LinkedIn, Facebook, and Twitter sites, and any changes/updates must be approved by the AGT prior to posting.

Note: this social media policy applies only to work-related communications and sites and issues and is not meant to infringe upon an employee's personal interaction or commentary online that do not involve the Firm, Firm business or the financial services industry.

2.10 Cash/Non-Cash Compensation

Any compensation related to marketing expenses paid directly or indirectly to the IAR requires the approval of Compliance as described in this section. The following section outlines types of non-cash compensation permitted and the associated reporting requirements.

2.10.1 Definitions

Cash Compensation – Any discount, concession, fee, service fee, commission, asset-based sales charge, loan or override, or cash employee benefit received in connection with the sale and distribution of advisory products and/or services.

Non-Cash Compensation – Any form of compensation received in connection with the sale and distribution of advisory products and/or services, other than cash compensation, which includes, but is not limited to, merchandise, gifts and prizes, travel expenses, meals and lodging.

2.10.2 Marketing Reimbursements

Under most circumstances, IARs will be prohibited from obtaining cash compensation directly from third-party advisers. Exceptions may be made only under very limited circumstances. Any such arrangement must be approved in advance by Compliance. Note that National Life Group has been approved as a paymaster for ESI.

Under no circumstances may an IAR receive compensation from a third-party adviser or product sponsor in the form of securities.

Cash compensation for marketing-related expenses may not be received by an IAR from a third-party adviser unless appropriate disclosure is made in the adviser's disclosure brochure(s). Marketing reimbursements must meet the following criteria:

- Direct (receiving a check for expenses that the RR incurred) and indirect (paying RR's expenses to the vendor(s)) marketing reimbursements from third-party advisers, such as for marketing events or advertising, require prior approval of the Supervisor and Compliance.
- In order to receive reimbursement for marketing expenses from a third-party adviser related to an event, a representative of the third-party adviser must attend the event. In addition, any such events are generally limited to $100 per attendee, with a total cap of $2,000 per event.
- Reimbursement sought which would exceed these limits, in cases otherwise not described above, will be considered on a case-by-case basis by the Designated Supervisor in conjunction with the President, or his Designee Registered Principal, and Compliance.

Marketing reimbursement arrangements will be reviewed on an individual basis by Compliance, which will seek the advice of the Legal Department on an as-needed basis.

2.10.3 Gifts and Entertainment

IARs may accept gifts and entertainment from Offerors, without prior approval, under the following conditions:

- Gifts: each individual IAR may receive gifts from an Offeror valued at up to $100 per year. No IAR may receive, within any 12-month period, gifts with an aggregate value of greater than $100 from any one Offeror.
- Entertainment: IARs may accept entertainment from Offerors in the form of an occasional meal, a ticket to a sporting event or the theater, or comparable entertainment, which is neither so frequent nor so extensive as to raise any question of propriety.
- Neither gifts nor entertainment may be received based on meeting a sales target.
- Business development items, such as software packages containing fund data or prospecting lists are not gifts. Receipt of these items may not be conditioned on achieving a sales target. The receipt of any such items must be approved by the Designated Supervisor and Compliance.
- Promotional items of nominal value ($75 or less in value) displaying the Offeror's logo, such as golf balls or pens, are not considered gifts and are not counted towards the $100 gift limit or the reporting requirements described below.

Gifts and entertainment given to and received from clients are subject to the requirements of Section 16.8 (Gifts and Entertainment).

2.10.4 Recordkeeping in Connection with Cash and Non-Cash Compensation

EFA will maintain a record of compensation received by EFA and IARs from Offerors. The records will include the name of the Offerors, the names of the associated persons, the amount of cash, the nature, and, if known, the value of non-cash compensation received. IARs play an important part in this recordkeeping requirement by providing accurate information to Compliance on the various forms and certifications required by these policies and procedures, which are used to meet EFA's recordkeeping requirements. Most records will be retained by Compliance, although certain records related to commissions are maintained by the Commission area.

Additionally, for the purpose of training and education meetings, the record will include:

- The date and location of the meeting,
- Whether or not attendance at the meeting is conditioned on the achievement of a previously specified sales target,
- Whether or not payment is applied to the expenses of guests of IARs, and
- Other information necessary to document compliance with these policies and procedures.

IARs are responsible for providing complete and accurate information on the forms and certifications required by these procedures in order for ESI to meet its recordkeeping obligations.

2.11 Training/Educational (Due Diligence) Meetings

With prior approval of his or her Designated Supervisor and Compliance, IARs may accept payment by, or reimbursement from, Offerors in connection with training and educational meetings (sometimes known as "due diligence" meetings) held by an Offeror. Approval is at the discretion of ESI, and may only be granted if the following conditions are met:

- Attendance is not conditioned on the achievement of any sales target or any other incentive program.
- The reimbursement or payment of expenses is not conditioned on the achievement of any sales target or any other incentive program.
- The location is appropriate to the purpose of the meeting (i.e., at or near the Offeror's home office or an office of ESI, or a facility near such office, or a regional location for a regional meeting).
- Only expenses of the IAR may be paid or reimbursed by the Offeror; expenses of guests of the IAR (e.g., spouses) may not be paid or reimbursed. Payment or reimbursement of the IAR's meals, lodging and transportation expenses are permissible, but payment or reimbursement for golf outings, tours, or other forms of entertainment are not permissible. An Offeror may pay or reimburse an extra day's lodging only if the extra night reduces the meeting's net lodging and transportation expenses.
- Substantially all of the workday should be occupied by training meetings (e.g., at least 6 hours) for meetings involving a reimbursed overnight stay. Business meetings of 6 hours or more may justify 2 nights of lodging and associated meal expense, e.g., due to travel logistics. Meetings of less than

6 hours may be permitted only in the event where there is no overnight stay (e.g., a local meeting where representative drive to and from the meeting site).
- ESI must review and approve the estimated expenses.
- Any reimbursement received by a IAR from an Offeror in connection with attendance at a training or educational meeting must be reported to the Designated Supervisor and Compliance.

2.11.1 Approval Process for Training/Educational (Due Diligence) Meetings

Prior to attending a training/educational meeting for which the product offeror incurs expenses on behalf of the IAR and/or the IAR receives reimbursement of costs, the IAR must sign the Training Attendee Certification available on the Firm's website. The form states that the IAR will comply with the above conditions and provide the signed certification to his or her Designated Supervisor (i.e., the local field office supervisor) for approval. After obtaining the Designated Supervisor's signed approval on that Certification, the Designated Supervisor will send the certification to Compliance for further review and approval.

No person may attend an Offeror's training/educational meeting without the prior, written approval of his or her Designated Supervisor and Compliance.

2.11.2 Approval Process for when an Offeror presents to a Field Office

Offerors may conduct meetings in the field office or nearby venues subject to the process below provided that there are no reimbursed travel expenses:
- The Offeror Certification Form is required to be completed when the Offeror pays expenses for the meetings, such as room or meal expenses.
- The Offeror Certification Form is to be certified by the representative of the Offeror providing the non-cash compensation and approved by the Designated Supervisor.
- The completed Offeror Certification Form should list all RRs who attended the event. If more than one RR with the same supervising OSJ attends the training meeting, only one form needs to be signed by the Offeror.
  After obtaining the representative of the Offeror's signature, the Certification must be sent to Compliance.

2.12 Incentive Based Non-Cash Compensation/Sales Contests

In general, incentives (a.k.a. sales contests) will be conducted in a manner that exercises good taste and proper judgment. The following general guidelines apply to sales contests:
- Persons or departments must submit to, and obtain approval from, Compliance for all contests prior to publication and/or implementation.
- Designated supervisors will be responsible for selling efforts and appropriateness of sales subject to a contest.

Incentive based non-cash compensation, such as sales contests, may only be organized and run by ESI or National Life Group and Designated Supervisors of these companies, and only with the prior approval of ESI.

Incentive-based non-cash compensation includes anything of value offered or provided to an IAR based in any way on the amount of the IAR's advisory services production. Sponsors of incentive-based non-cash compensation arrangements must follow the approval process described below.

No EFA or National Life Group employee, business unit or Field Office may offer or provide incentive-based non-cash compensation (including any sales contest) to any EFA IAR without prior approval by AGT and Compliance.

The sponsor of the sales contest or other incentive based non-cash compensation is responsible for structuring the program in compliance with EFA's policies and procedures. EFA IARs may not participate in any ESI or National Life Group sales contest or receive any other incentive-based non-cash compensation unless the sales contest or other non-cash compensation has been approved by the Designated Supervisor and Compliance.

Any sales contest or other incentive based non-cash compensation must meet the following requirements.

1) The non-cash incentive compensation/sales contest must be based on the IAR's total production without respect to a specific program or service provided.
2) Participation in the non-cash incentive program or sales contest by an unaffiliated third-party asset manager is prohibited. Unaffiliated third-party asset managers may not influence or control the arrangement of non-cash incentive programs. However, such an outside entity may provide a speaker for a meeting, contribute financially to the program or have personnel attend EFA's and National Life Group's meetings.
3) Sales contests or incentive programs within a limited period of time are prohibited if they are based on a specific product or advisory program.

As a result of the Massachusetts Fiduciary Rule, advisory sales earned through the offer of investment adviser services to Massachusetts residents, or by Massachusetts-based IARs, on or after September 1, 2020 will be deducted from crediting prior to determining qualification for sales contests.

2.13 Seminars Using Third Party Presenters Or Those Sponsored by Financial Services-Related Third Party Entities

If a third party is presenting on behalf of the IAR (e.g. a representative from an asset management firm), the IAR is responsible for providing the third party presenter's materials, or a script of the presenter's prepared remarks, for approval by the AGT in addition to the pre-review and approval requirements for all other seminar presentation materials to be used. If the third party is providing marketing reimbursement for the event, please refer to *Marketing Reimbursements* of these written supervisory procedures.

If a third party (examples: school, Chamber of Commerce, business club, etc.) sponsors an event to which the IAR has been invited as a presenter, any information provided to the third party by the IAR for purposes of advertising the event, such as a bio or description of the presentation, must be reviewed and approved by the AGT before it may be provided to the third party for use. This is in addition to the above requirements relating to the prior review and approval of all other materials relating to the seminar.

Chapter 3 - Advisory Agreements and Fees

3.1 Policy

EFA's policy requires a written investment advisory agreement for each client relationship which includes a description of our services, level of discretion granted (i.e. discretionary or non-discretionary authority), advisory fees, important disclosures and other terms of our client relationship. EFA's advisory agreements meet all appropriate regulatory requirements and contain a non-assignment clause. As part of EFA's policy, the Firm also obtains important relevant and current information concerning the client's identity, occupation, financial circumstances and investment objectives, among many other things, as part of our advisory and fiduciary responsibilities. In the event EFA is acting as solicitor, EFA will retain the third party agreement or solicitor disclosure document. EFA obtains important or relevant client information regarding suitability, etc. through the use of product applications and/or new account form.

3.2 Background

The Advisers Act regulates certain aspects of investment advisory contracts, including assignment of contracts, as discussed below, notification to clients of partnership changes (if the adviser is organized as a partnership), restrictions on performance-based fees, prohibition on waiver of compliance with the Advisers Act, and prohibition on hedge and arbitration clauses.

Under Section 205 of the Advisers Act, the Company may not assign an advisory contract without the client's consent. The definition of "assignment" contained in the Advisers Act could include situations involving a change of control over EFA, or EFA's parent company.

In recognition of the fact that this definition encompasses many types of transactions which do not alter the actual control or management of an adviser, the Commission adopted Rule 202(a)(1)-1, which deems transactions that do not result in a change of actual control or management of the adviser not to be an assignment under the Advisers Act. Neither the Advisers Act nor the rules thereunder specify the manner in which an adviser must obtain client consent to an assignment of an advisory contract. However, the SEC staff has in the past taken the position that if an adviser notifies a client in writing of an assignment and advises the client that the assignment will take place if the client does not object within a reasonable time period, such as 60 days, the client's silence may be treated as appropriate consent.

Except as provided under Rule 205-3, Section 205 of the Advisers Act prohibits an advisory contract from providing for compensation to the adviser on the basis of a share of capital gains upon or capital appreciation of the client's funds. Except for performance fees, the Advisers Act does not specifically address or explicitly regulate the types or amount of advisory fees the Company may charge clients for its advisory services. Rather, the Advisers Act regulatory scheme relies primarily on disclosure to address the appropriate level of fees and the SEC requires that an adviser, as a fiduciary, make full and fair disclosure to clients about the fees it charges.

Written advisory agreements form the legal and contractual basis for an advisory relationship with each client and as a matter of industry and business best practices provide protections for both the client and the investment adviser. An advisory agreement is the most appropriate place for an adviser to describe its advisory services, fees, liability, and disclosures for any conflicts of interest, among other things.

The Advisers Act does not directly regulate advisory fees. Nevertheless, the SEC generally believes an adviser may violate the antifraud provisions of the Advisers Act if it charges an advisory fee that is high in relation to the services provided.[3] With few exceptions, the Advisers Act generally does not address or regulate the types or amount of fees an adviser may charge clients for its advisory services, but relies primarily on disclosure to address the appropriate level of fees.[4] An adviser also must disclose its policy on the payment and refund of prepaid advisory fees.[5] SEC guidance on the payment of advisory fees is

[3] THOMAS P. LEMKE & GERALD T. LINS, REGULATION OF INVESTMENT ADVISERS § 2:9, at 150 (2006 ed.).

[4] TAMAR FRANKEL & ANN TAYLOR SCHWING, THE REGULATION OF MONEY MANAGERS § 12.03 (2nd. ed. 2001).

[5] Anametrics, Inc., SEC No-Action Letter, 1976, WL 9259 (Oct. 21, 1976).

designed to prevent an adviser from engaging in unethical business practices by charging unreasonable fees, requiring fees unreasonably in advance of the services provided, or retaining a client's prepaid fee without disclosing its prepayment and refund policy.

EFA establishes advisory fees based on a variety of circumstances, including the nature of the client, the client's assets under management, and the client's investment objective. Fees may be negotiated, as disclosed in EFA's Form ADV.

Where any adviser who manages individual discretionary clients determines to invest a portion of the client's assets in a pooled investment vehicle (e.g., a mutual fund) for which it (or an affiliate) also acts as adviser, the SEC has expressed concern about the appropriateness of an adviser receiving a "dual" fee, i.e., an advisory fee from its individual discretionary clients and an advisory fee from the pooled investment vehicle. EFA allows discretion in certain of its advisory programs. Related conflicts of interest are addressed in the Firm's Form ADV 2A disclosure brochure.

The Advisers Act also prohibits any contract or other provision that purports to waive compliance with the Advisers Act or rules thereunder (i.e. hedge clause).

3.3 Responsibility

Senior Vice President ("SVP"), Sales and Business Development or designee, has the responsibility for the implementation and monitoring of the Firm's Advisory Agreements and Fees policy, practices, disclosures and recordkeeping. The SVP, Sales and Business Development or designee is responsible to ensure that the Investment Committee approves of any new advisory agreements and annually presents existing Advisory Agreements to the Investment Committee for review. The Investment Committee consists of the President, the SVP, Sales and Business Development, AVP, Advisory Services, and SVP, Operations. Law and the CCO or Designee also participate for advisory purposes.

Questions regarding this policy or related procedures should be directed to the SVP, Sales and Business Development or designee.

3.4 Procedure

EFA has adopted procedures to implement the Firm's policy and to monitor and ensure the Firm's policy is observed, implemented properly and amended or updated, as appropriate, which may be summarized as follows:

3.4.1. Advisory Agreements

3.4.1.1 Standardized Agreements and Schedules - Investment Advisory Agreements are reviewed annually by the VP, Business Development, and reported on during one of the Firm's Investment Committee meetings, to ensure those documents are current and acceptable. The SVP, Sales and Business Development or designee is responsible to ensure that the Investment Committee approves of any new advisory agreements. In addition, EFA's advisory fee schedules, and any changes, for the Firm's services are approved by an appropriate designee of the Firm. The fee schedules are periodically reviewed at quarterly management meetings by EFA to be fair, current and competitive.

3.4.1.2 Account Opening - Prior to the opening of an account for a client, each client must complete a Client or Entity Profile form. Client or Entity Profile forms are reviewed to ensure that all necessary information is complete, that proper identification has been provided, and that any additional forms (i.e., those required by a third-party advisory program) are included. The Suitability Review Principals are responsible for reviewing each new account form to ensure that any IAR recommended securities, or investment programs being recommended by it, are suitable for the client. This determination is made after obtaining and reviewing information on the client and his/her investment needs and objectives. The basic information that is generally considered includes:

a. Financial status including income, net worth, financial holdings, etc.,

b. Tax status,

c. Investment experience and objectives,

d. Risk Tolerance,

e. Other useful and reasonable information as may be requested by Suitability Review Principals.

3.4.1.3 Discretion

When opening an account in the Firm's Adviser-as-Portfolio Manager programs, clients grant their advisory representative discretionary trading authority in their account within the limits of these written supervisory procedures and EFA's Form ADV Part 2A-Appendix 1 disclosure brochures. Such discretion is granted via the Terms and Conditions agreement signed by the client at the time of account opening.

3.4.1.4 Recommendations

When executing discretion in clients' accounts, IARs must put the interests of the client ahead of those of the Firm and/or the IAR. IARs must maintain a file that reflects the research conducted in determining the securities to be bought and/or sold on a discretionary basis.

IARs that manage client accounts in accordance with prescribed model portfolios may retain their research at a model level. Conversely, IARs must maintain research files for each security they trade on a discretionary basis[6].

3.4.1.5 Solicitation - Any solicitation/referral arrangements and solicitor/referral fees must be in writing, reviewed and approved by Compliance, meet regulatory requirements and have appropriate records maintained (see "Promoter Relationships" in the Table of Contents).

3.4.1.6 Guarantees and Indemnities - EFA may not grant indemnities or guarantees, whether formal or informal, to clients for losses to investment portfolios or otherwise.

3.4.1.7 Account Termination - In cases where the Firm has determined to terminate an advisory relationship with a client, the Firm must send a letter to the client at least 30 days before the advisory agreement is terminated providing notice to the client of the intended action. A copy of correspondence related to the termination of an advisory account is maintained in the Client File and scanned into the OnBase or Docupace recordkeeping system.

3.4.1.8 Financial Planning/Financial Consulting – The IAR and client complete and sign a financial planning or financial consulting agreement, as applicable to the services being provided. This agreement will include a client profile to be completed by the client, and a privacy notice to be delivered to the client. The IAR will also provide the client with the Firm's ADV 2A and the IAR's ADV 2B. The IAR will submit to EFA the agreement along with a copy of the financial plan or summary of the financial consulting services. Suitability Review Principals are then responsible for reviewing the provided documentation included with each financial planning/consulting agreement to verify the following:

a. Whether the fee charged is within the fee schedule range listed in the Firm's Form ADV 2A,

b. Whether the fee charged in relation to the service provided is appropriate,

c. Verify that any advanced fees are within the Firm's and regulatory requirements and the indicated services must generally be provided within 4 months of receipt of the advanced fees,

[6] For the purposes of these procedures, a "prescribed investment model" is one which the advisor creates to address a specified investment objective (e.g. "equity growth" or "moderate growth and income") and uses with multiple clients with the same investment objective. Managing an account outside of a prescribed investment model describes a situation in which the advisor creates portfolios specific to individual clients that are different from other clients with the same investment objective.

d. Verify that the advice being provided is reasonable and consistent with information collected by the IAR about the client's financial situation.

3.4.2 Advisory Fees

3.4.2.1 Payment for Advisory Services

Advisory fees are deducted directly from clients' advisory accounts, by the custodian. Clients may not pay EFA directly for advisory fees (except for services rendered as a part of a financial planning/financial consulting agreement, see Section 9.4.6 for details). Authorization for deduction of fees is included in the custodial agreement signed by the client when opening an advisory account. Deduction of fees is not acceptable based only on the customer's oral authorization to withdraw funds.

IARs are prohibited from receiving fees related to the sale of an advisory product from anyone other than ESI, except for activities approved by and pursuant to ESI's policies and procedures. ESI IARs are prohibited from sending business direct to a product offeror. All new business, dealer changes, additional investments (where the IAR is involved in the transaction) must be submitted through ESI for review, approval and processing.

3.4.2.2 Disclosure – In addition to the specific disclosures required by Form ADV, each Branch Office Supervisor is responsible for ensuring that its representatives disclose to clients (or a client's agent) all material information regarding EFA's advisory fee before entering into the advisory contract. These disclosures include:

a. Full and fair disclosure of the advisory fee charged. The schedule of fees to be charged to a client must be attached to the client's advisory agreement, and a copy of the applicable fee schedule, together with the agreement, must be given to the client and placed in the client's file.

b. If EFA charges a client an advisory fee that is substantially higher than the fee other advisers normally charge for similar services, considering all relevant factors such as the size of the account and the nature of the advisory services provided, representatives must disclose to the client that it may obtain similar services elsewhere at a lower cost. In this situation, contact the SVP, Sales and Business Development or designee for further guidance.

3.4.2.3 Reasonable Belief - The IAR and Branch Office Supervisors are responsible for ensuring that its representatives and any person acting on their behalf reasonably believes, immediately prior to entering into the contract, that the contract represents an arm's length agreement between the parties and that the client (and the client's agent, if any) understands the proposed method of compensation and its risks.

3.4.2.4 Refund of Prepaid Fees – If EFA receives advisory fees from a client in advance, the SVP, Operations, or designee, is responsible for ensuring that the advisory contract between EFA and the client is reviewed to ensure that such contract provides that, in the event the contract is terminated, either of the following will occur: (1) the client receives a pro rata refund of the prepaid fees according to the number of days left in the billing period, less reasonable start-up expenses or (2) the client pays only a predetermined fee, as disclosed in the contract, for the services performed. The Chief Compliance Officer, or designee, is responsible for ensuring that appropriate disclosure about these arrangements is made in EFA's Form ADV.

3.4.2.5 Most Favored Nations Clause – IARs are not permitted to enter into any advisory contract that includes a "most-favored nations clause," i.e., a representation that the client's advisory fee is now and will in the future be equal to or less than the fee charged to a similarly situated client.

3.4.2.6 Material Change in Amount or Structure of Fees – IARs are responsible for informing the SVP, Operations or his/her staff when there is a change in the amount or structure of the investment advisory fee charged to the client.

3.4.2.7 Performance Fees are Generally Prohibited – The Advisers Act generally prohibits an investment adviser from entering into any arrangement that provides for compensation to be based on a share of the capital gains or capital appreciation in a client's account (however, the Advisers Act does not prohibit fees that are a percentage of assets under management.) This prohibition is designed to prevent an adviser from speculating unnecessarily in a client's account to earn a higher fee. Accordingly, being awarded a "bonus" or additional compensation if the client's assets reach a certain level, or if performance achieves a certain amount, is strictly prohibited.

3.4.2.8 Review of Advisory Fees

At least annually, EFA reviews a sample of client accounts to verify that:

- Advisory fees charged match those disclosed and agreed to by the client in the advisory agreement;
- Fees are consistent with the Firm's guidelines, as established in its Form ADV Part 2A;
- If a tiered fee structure is in place, that correct amounts are charged, taking into account the growth or reduction of the client's assets under management;
- There are no performance-based fee arrangements;
- Terminated accounts received a prorated refund of pre-paid fees, as applicable.

3.4.3 Financial Planning/Consulting Fees

Fees for financial planning/consulting services are negotiable, and are based on various factors including, but not limited to: the types of services provided, complexity of your finances, and time involved in plan development. In no case will EFA accept fees for financial planning/consulting services that is greater than $1,200, unless the parties agree that all services will be completed within six months from the receipt of such payment.

Fees for financial planning/consulting services are negotiable with the client. IARs may request payment of fees, in whole or in part, prior to the final delivery of services. In the event a client chooses to pre-pay the full amount of a financial planning or consulting fee, EFA will permit the advisor to receive half the paid amount and will retain the remaining half until the Firm receives final confirmation of delivery of services. Once confirmation of delivery of services is received, EFA will release the remaining balance of the pre-paid fee to the advisor. If the pre-paid fee is greater than $1,200, services must generally be completed within four months, and no later than six months, of the date of the agreement. If, after six months, EFA does not receive confirmation of services, the client will be refunded the full amount of the advance payment made.

Clients may agree to pay financial planning fees in 12 equal monthly installments by ACH or credit card. If they select this option, their mode of payment will be billed when they sign a financial planning agreement, and every month thereafter for 12 months. Clients also have the option of agreeing to receive a recurring financial plan, where their plan is updated every year for the same fee. Clients who select this option will continue to pay the fee for their financial plan in 12 equal monthly installments, beginning on each anniversary of their financial planning agreement until the agreement is terminated. At the Firm's discretion, financial planning fees received by EFA may be returned if, after four months, the Firm has not received evidence of plan delivery. In no event will EFA keep financial planning fees if, after six months, there is no evidence of plan delivery.

Clients retain the right to terminate the financial planning/consulting agreement prior to the delivery of the services by notifying EFA per the terms of their financial planning/consulting agreement. Clients who pre-pay fees but terminate a financial planning/consulting agreement prior to the delivery of services will receive a refund of fees paid, minus a prorated amount (as determined by EFA) for services provided prior to the termination. A client that chooses a recurring financial plan may terminate the agreement at any time, including after the delivery of a plan, in which case billing will stop when the last delivered plan has been fully paid for

The SVP, Operations, or his/her designee is responsible for tracking the acceptance of financial planning/consulting fees and ensuring compliance with this procedure.

3.5 Payments to Personal Service Entities

For IARs who have established (or will establish) a Personal Services Entity ("PSE") for the purposes of receiving investment advisory related compensation that would otherwise be paid to the IAR individually, for the payment of services provided to the IAR in connection with their activities as an IAR, a PSE Agreement is required to be signed by ESI, each RR included in the PSE, an authorized signatory for the PSE, and the Branch Office Supervisor.

3.6 Pension and Retirement Accounts

This chapter explains the requirements for many pension and retirement accounts, as well as rollovers from these accounts. The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for most voluntarily established pension and health plans in private industry and provides protection for individuals in these plans.

ERISA applies to all Internal Revenue Service-qualified pension and profit sharing plans and employee welfare benefit plans. Most IRA accounts, while not covered by ERISA, are subject to the prohibited transaction penalties. Limited exemptions apply to governmental (public employee) plans and certain offshore and church plans.

ERISA is administered by the Department of Labor ("DOL") which issues rules, interpretations, and exemptions. Key elements of ERISA include:

- Who is a fiduciary and subject to related requirements
- "Prohibited transactions" which are considered self-dealing which presumptively cannot be engaged in by fiduciaries
- Exemptions from prohibited transactions

ESI may become a "fiduciary" for ERISA purposes with respect to a client that is a retirement plan ("Plan") if:

- ESI directly manages or sub-advises the retirement plan; or
- Acts as an Investment Adviser to a plan governed by ERISA, pursuant to a signed agreement with the plan

ESI generally will be deemed to be a fiduciary to a retirement plan account, for the purposes of ERISA, if it provides investment advice, as defined by regulation promulgated by the DOL, to the plan for a fee.

3.6.1 Definitions

Covered plan: An employee pension benefit plan or a pension plan under ERISA 3(2)(A), which includes ERISA-covered defined benefit and defined contribution pension plans. The definition does not include simplified employee pension plans (SEPs), SIMPLE retirement accounts, IRAs, employee welfare benefit plans, and certain annuity contracts and certain custodial accounts described in ERISA Code section 403(b).

Covered service provider: ESI is a Covered Service Provider when it enters into a contract or arrangement with a covered plan and expects to receive $1,000 or more in direct or indirect compensation that is received in connection with providing services defined in Section 408(b)(2) including:

- ERISA fiduciary service providers to a covered plan or to a "plan asset" vehicle in which such plan invests.
- Investment advisers registered under Federal or State law.
- Record-keepers or brokers who make designated investment alternatives available to the covered plan (*e.g.,* a "platform provider").
- Providers of one or more of the following services to the covered plan who also receive "indirect compensation" in connection with such services: Accounting, auditing, actuarial, banking,

consulting, custodial, insurance, investment advisory, legal, recordkeeping, securities brokerage, third party administration, or valuation services.

Covered transactions: The exemption under 2020-02 covers reasonable compensation paid to financial institutions and investment professionals as well as their affiliates and related entities in connection with two types of transactions: investment advice provided to retirement investors and riskless and covered principal transactions.

Fee or other compensation, direct or indirect: any explicit fee or compensation for the advice received by the person (or by an affiliate) from any source, and any other fee or compensation received from any source in connection with or as a result of the recommended purchase or sale of a security or the provision of investment advice services including, though not limited to, such things as commissions, loads, finder's fees, and revenue sharing payments. A fee or compensation is paid "in connection with or as a result of" such transaction or service if the fee or compensation would not have been paid but for the transaction or service or if eligibility for or the amount of the fee or compensation is based in whole or in part on the transaction or service.

Fiduciary: ESI does not allow IARs to have discretion over plans subject to ERISA. However, IARs could be deemed as fiduciaries under Section 3(21) if they meet the five-part test.

A five-part test to determine whether the institution or professionals are engaged in providing investment advice and therefore acting as a fiduciary; all five parts must be satisfied to meet the definition:

- Render advice to the plan as to the value of securities or other property, or make recommendations as to the advisability of investing in, purchasing, or selling securities or other property
- Provide advice on a regular basis
- Provide advice pursuant to a mutual agreement, arrangement, or understanding the plan, plan fiduciary or IRA owner
- The advice will serve as the primary basis for investment decisions with respect to plan or IRA assets and
- The advice will be individualized based on the particular needs of the plan or IRA.

Financial institution: An entity that:

1. Is not disqualified or barred from making investment recommendations by any insurance, banking, or securities law or regulatory authority (including any self-regulatory organization);
2. Employs the Investment Professional or otherwise retains such individual as an independent contractor, agent or IAR, and
3. Is registered as:
    a. an investment adviser under the Investment Advisers Act of 1940 or under state law;
    b. a bank or similar Financial Institution supervised by the United States or a state, or a savings association;
    c. an insurance company qualified to do business under the laws of a state, provided that it has obtained a Certificate of Authority from the insurance commissioner of its domiciliary state which has neither been revoked nor suspended, undergoes an annual examination by an independent certified public accountant or has undergone a financial examination by the state's insurance commissioner within the preceding five years, and is domiciled in a state whose law requires an annual actuarial review of reserves to be reported to the appropriate regulatory authority; or
    d. a broker or dealer registered under the Securities Exchange Act of 1934.

IRA: Any plan that is an account or annuity described in Code section 4975(e)(1)(B) through (F).

Investment Professional: A fiduciary of a Plan or IRA by reason of the provision of investment advice with respect to the assets of the Plan or IRA involved in the recommended transaction, who: is an employee, independent contractor, agent, or representative of a Financial Institution, and satisfies the federal and state regulatory and licensing requirements of insurance, banking, or securities laws

(including self-regulatory organizations) with respect to the covered transaction, as applicable, and is not disqualified or barred from making investment recommendations by any insurance, banking, or securities law or regulatory authority (including any self-regulatory organization).

Party-In-Interest: A person or entity providing services to an ERISA plan is considered a "party-in-interest" to the plan.

Plan: Any employee benefit plan described in ERISA section 3(3) and any plan described in Code section 4975(e)(1)(A).

Recommendation: A communication that, based on its content, context, and presentation, would be reasonably viewed as a suggestion that the advice recipient engage in or refrain from taking a particular course of action.

Retirement Investor: A participant or beneficiary of a Plan with authority to direct the investment of assets in his or her account or to take a distribution; the beneficial owner of an IRA acting on behalf of the IRA; or a fiduciary of a Plan or an IRA

Riskless Principal Transaction: A Financial Institution, after having received an order from a Retirement Investor to buy or sell an investment product, purchases or sells the same investment product for the Financial Institution's own account to offset the contemporaneous transaction with the Retirement Investor.

3.6.2 Prohibited Transactions

Federal laws prohibit plan assets from being used by a fiduciary for certain transactions (known as "prohibited transactions"). Fiduciaries are prohibited from dealing in plan assets for their own benefit or for the benefit of a third party with whom the fiduciary is affiliated. When acting as an ERISA fiduciary, certain transactions are "Prohibited Transactions" and forbidden, unless it qualifies for a "Prohibited Transaction Exemption." Common Prohibited Transactions include, but are not limited to:

- The sale, exchange, or leasing of any property between the account and a party in interest (which can occur if an EFA IAR sells National Life Group proprietary product to an ERISA Plan);
- Receiving any consideration for the fiduciary's personal account from any party dealing with such client account in connection with a transaction involving assets of the client account (this can often occur when an investment, and not a Plan or Plan Sponsor, pays commissions or trailing compensation to an IAR); and
- Dealing with assets of the account in the fiduciary's own interest or account, which is often referred to as self-dealing under ERISA (this can occur if an IAR is able to recommend an investment option that pays more than another available investment option).

ESI, with respect to Plan clients, will not engage in any prohibited transactions unless an exemption is available. The two categories of prohibited transactions are: (1) transactions with "parties-in-interests;" and (2) transactions with fiduciaries.

A fiduciary of a plan may not cause the plan to engage in a transaction if the fiduciary knows or should know the transaction constitutes a direct or indirect prohibited transaction under ERISA. A fiduciary that engages in a prohibited transaction is subject to an excise tax of 15% per year of the amount involved until the transaction is undone. If the transaction has not been undone within 90 days of the imposition of the 15% excise tax, the excise tax increases to 100% of the amount involved.

ESI will not use its authority, control and responsibility to cause a Plan client to: (1) pay an additional fee to itself or an affiliate to provide a service; and (2) enter into a transaction involving Plan client assets whereby ESI or an affiliate will receive compensation from a third party in connection with such transaction.

3.6.3 Prohibited Transaction Exemption ("PTE") 2020-02

PTE 2020-02 allows the Firm and its IARs to engage in transactions for which they provide fiduciary investment advice in which they receive reasonable compensation including in a rollover transaction from an ERISA Plan to an IRA. They may receive payments that would otherwise violate the prohibited transaction rules if they:

1. **Impartial Conduct Standards:** Comply with the Impartial Conduct Standards which include investment advice in the best interest of the investor; reasonable compensation (including best execution); and no materially misleading statements.
2. **Required Disclosures:** Provide disclosures required per PTE 2020-02 to the investor/plan that for rollovers, gives the specific reason(s) for the rollover recommendation in writing, before the transaction takes place.

   The disclosures required per PTE 2020-02 must be completed by the RR and client for all non-insurance securities products and advisory services, when a recommendation is given by the RR, and when a sale is made:
   - In a qualified plan governed by ERISA, such as a 401(k) plan, or most defined benefit plans (but not a 457 or most 403(b) plans); or
   - In an Individual Retirement Account ("IRA").
3. **Policies and Procedures:** Maintain, and enforce written procedures to ensure compliance with the Impartial Conduct Standard
4. **Annual Review:** Conduct a retrospective annual review to determine compliance with the Impartial Conduct Standards

3.6.3.1 Impartial Conduct Standards

When making recommendations, the Firm and RRs must comply with Impartial Conduct Standards which include:

- **Best Interest Standard:** Advice that *"reflects the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk tolerance, financial circumstances, and needs of the Retirement Investor*," and "*does not place the financial or other interest of the Investment Professional, Financial Institution or any Affiliate, Related Entity or other party ahead of the interests of the Retirement Investor, or subordinate the Retirement Investor's interests to their own*."
- **Reasonable Compensation:** Compensation received by the Financial Institution, the Investment Professional, and any Affiliates and Related Entities must not exceed reasonable compensation within the meaning of ERISA section 408(b)(2). If applicable, the Financial Institution and Investment Professional must seek to obtain best execution (as required by securities laws) as part of the "reasonable compensation" requirement. Includes the obligation for best execution.
- **No Materially Misleading Statements:** The provider must not make materially misleading statements about the recommended transaction and other relevant matters at the time when the statements are made.

3.6.3.2 Required Disclosures

The following must be disclosed for ERISA governed transactions. These disclosures are included in *Regulation Best Interest* requirements.

- ***Fiduciary Status***: The Firm and IARs must provide written acknowledgement to the Retirement Investor that they (and affiliates and related entities) are fiduciaries under ERISA and the Code. This disclosure is noted on the *Customer Agreement and Disclosure*.
- ***Scope of Services and any Material Conflicts of Interest***: The Firm and IARs must provide a written description of services provided and a written description of the material conflicts of interest that is in all material respects accurate and not misleading. For example, conflicts associated with proprietary products, payments

from third parties, and compensation arrangements should be disclosed. This disclosure is noted on the *Form CRS* and the *Reg BI Disclosure*.

- ***When acting as a fiduciary in a rollover transaction:*** The Firm and its IARs act as fiduciaries when recommending a rollover or transfer of assets in an employer-sponsored retirement plan to an IRA, from one IRA to another, or from one account to another (e.g. brokerage or advisory). RRs must document the specific reasons for a rollover recommendation. This disclosure is noted on the *Defined Contribution Rollover Recommendation*, *Defined Benefit Rollover Recommendation*, *IRA to IRA and Transfer Recommendation* forms.

3.6.3.3 Policies And Procedures

The Firm has policies and procedures to address the requirements of handling accounts for pension and retirement accounts as included in this chapter and subject to the following:

- Policies and procedures are reviewed annually for necessary updates
- Updates are issued as required when regulatory or business activities dictate
- Policies and procedures are included in the annual review of procedures

3.6.3.4 Annual Review

Pursuant to PTE 2020-02, the Firm conducts a retrospective review, at least annually, that is reasonably designed to assist in detecting and preventing violations of, and achieving compliance with, the Impartial Conduct Standards and the policies and procedures governing compliance with PTE 2020-02. A written report from the retrospective review is created.

ESI senior executive officer certifies, annually, that:

1. They have reviewed the report;
2. The firm has policies and procedures designed to achieve compliance with this exemption;
3. There is a prudent process in place to modify policies and procedures;
4. The report, review, and certification must occur no later than six months after the period under review.
5. The report is maintained for six years.

3.6.3.5 Self Correction

The Firm may make a self-correction of violations of PTE 2020-02 if the:

- Violation did not result in investment losses to the Retirement Investor (or, if a loss did occur, if the Retirement Investor was made whole);
- The Self-Correction Committee (ESI President, Director, Regulatory Compliance, SVP Operations, CCO (non-voting, advisory only), Law (non-voting, advisory only)) will convene to determine if there is a violation.
- Firm corrects the violation and notifies the DOL of the violation and correction by email (IIAWR@dol.gov) within 30 days of correction;
- Firm corrected the violation no later than 90 days after it learned of (or reasonably should have learned of) the violation; and
- Firm notifies the person responsible for conducting the retrospective review and the violation and correction are set forth in the written report.

3.6.3.6 When PTE 2020-02 Does Not Apply

PTE 2020-02 does not apply to the following situations:

- Plans for which the investment advice fiduciary, or an affiliate, is (i) employer of employees covered by the Plan or a named fiduciary of the Plan or (ii) plan administrator selected by a fiduciary that is not independent of investment advice fiduciary;
- Roboadvice (investment advice generated solely by an interactive website with computer-based models or applications and without any personal interaction); or
- Discretionary fiduciary investment arrangements.

The Firm or IAR is ineligible for the exemption for 10 years following:

- Any conviction of a crime described in ERISA section 411 arising out of providing investment advice to Retirement Investors (unless the DOL grants a petition that allows the Financial Institution to continue to use the exemption) or
- Receipt of ineligibility issued by the DOL for engaging in systematic pattern or practice of violating the conditions of this exemption.
- There is a one-year winding period for Financial Institutions in which the exemption may be relied upon after becoming ineligible, but this does not apply to a IAR.

3.6.4 Requirements When Acting as a Fiduciary

ESI and IARs must comply with requirements to act in a fiduciary role which includes meeting the requirements for prohibited transaction exemptions. (See *Prohibited Transaction Exemption 2020-02* section) Penalties for engaging in prohibited transactions can be severe and must be avoided.

The requirements included in this section apply to pension or retirement accounts where the Firm and/or the IAR act in a fiduciary role. When ESI is a fiduciary, the SVP, Operations, or a designee, prior to effecting trades for the ERISA account, will review the advisory agreement to ensure that the client plan fiduciaries have agreed and represented that the arrangement is authorized by the plan documents and that ESI has been properly appointed to advise on the plan's investments (other than those excluded from the advisory agreement).

When providing investment advice as an ERISA Fiduciary, the Firm will provide such advice and recommendations in a manner that meets the Impartial Conduct Standards which are consumer protection standards that ensure that advisers adhere to fiduciary norms and basic standards of fair dealing. The standards specifically require advisers and financial institutions to give advice that is in the "best interest" of the retirement investor.

Advice is in the "best interest" of the retirement investor if it reflects the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and like aims, based on the investment objectives, risk tolerance, financial circumstances, and needs of the retirement investor, without regard to the financial or other interest of the adviser, or any affiliate, related entity or other party. When providing such advice, the Firm will not receive compensation that is in excess of reasonable compensation (within the meaning of ERISA section 408(b)(2) and Code section 4975(d)(2)) as a result of the recommendation.

Furthermore, when providing such advice, the Firm will not make materially misleading statements to the retirement client about the recommended transaction, fees and compensation, material conflicts of interests and any other matters relevant to the retirement client's investment decisions.

3.6.4.1 Fiduciary in Rollovers

The Firm and its IARs act as fiduciaries when recommending a rollover or transfer of assets in an employer-sponsored retirement plan to an IRA, from one IRA to another, or from one account to another (e.g. brokerage or advisory). IARs must document the specific reasons for a rollover recommendation which include the following:

- the alternatives to a rollover, including leaving the money in the investor's employer's plan, if permitted;
- the fees and expenses associated with both the plan and the IRA;
- whether the employer pays for some or all of the plan's administrative expenses; and
- the different levels of services and investments available under the plan and the IRA.

If an IAR recommends (1) a qualified plan transfer, (2) moving assets from a defined-contribution plan (i.e. 401(k) or 403(b) plan) or a defined benefit plan (i.e. pension) to an IRA, or (3) transferring from one IRA to another IRA; the IAR and the Firm are acting as a Fiduciary. To ensure the transaction is in the Best Interest of the client and that costs of the recommendation have been considered, the Participant Fee Disclosure (a.k.a. 404(a)(5)) for the 401(k) or similar fee disclosure form or benchmarking data must be obtained and provided for suitability review. In addition, the disclosures required per PTE 2020-02 must

be provided which is included in the following forms, one of which must be completed and provided for suitability review.

- *Defined Contribution Rollover Recommendation* form
- *IRA to IRA Transfer Recommendation* Form

3.6.4.2 Non-Fiduciary (Education) in Rollovers

Providing a recommendation places the Firm and IAR in the role of a fiduciary. However, if the IAR only provides the investor with education without making a recommendation, they have not become a fiduciary, ERISA's regulations do not apply, and using 2020-02 for a defined contribution or defined benefit rollover transaction is not required. IRA to IRA transfers and qualified transfers are considered to be recommendations. To be considered educational, IAR communications, verbal or written and whether standing alone or in combination with other communications, may not include a recommendation of a particular security or securities.

If an IAR provides education around moving assets from a defined-contribution plan (i.e. 401(k) or 403(b) plan), a defined benefit plan (i.e. pension) to an IRA, one of the following forms must be completed and provided for suitability review. The form educates the customer on the rollover and confirms that the client made the decision to transfer the assets without a recommendation from the IAR.

- *Defined Contribution Rollover Education* form
- *Defined Benefit Rollover Education* form

3.6.4.3 Not Recommendations

The Firm will not deem the following to be within the definition of "recommendations":

A. Education
   - Plan information
   - General financial, investment, and retirement information
   - Asset allocation models
   - Interactive investment materials

B. General Communications
   - general circulation newsletters
   - commentary in publicly broadcast talk shows
   - remarks and presentations in widely attended speeches and conferences
   - research or news reports prepared for general distribution
   - general marketing materials
   - general market data including data on market performance, market indices, or trading volumes, price quotes, performance reports, or prospectuses

C. Marketing

Making available to a plan fiduciary, without regard to the individualized needs of the plan, its participants, or beneficiaries, a platform or similar mechanism from which a plan fiduciary may select or monitor investment alternatives, including qualified default investment alternatives, into which plan participants or beneficiaries may direct the investment of assets held in, or contributed to, their individual accounts, provided:

   - the plan fiduciary is independent of the Firm who markets or makes available the platform or similar mechanism, and
   - the Firm discloses in writing to the plan fiduciary that the Firm is not undertaking to provide impartial investment advice or to give advice in a fiduciary capacity.

D. Selection and Monitoring
   - Identifying investment alternatives that meet objective criteria specified by the plan fiduciary (e.g., stated parameters concerning expense ratios, size of fund, type of asset, or credit quality), provided that the Firm when identifying the investment alternatives discloses in

writing whether the Firm has a financial interest in any of the identified investment alternatives, and if so the precise nature of such interest;

- In response to a request for information, request for proposal, or similar solicitation by or on behalf of the plan, identifying a limited or sample set of investment alternatives based on only the size of the employer or plan, the current investment alternatives designated under the plan, or both, provided that the response is in writing and discloses whether the Firm when identifying the limited or sample set of investment alternatives has a financial interest in any of the alternatives; and
- Providing objective financial data and comparisons with independent benchmarks to the plan fiduciary.

3.6.4.4 Turnkey ERISA Solutions

These solutions are selected by EFA's Investment Committee based on several factors, including the absence of compensation that results in Prohibited Transactions, the availability of other 3(21) fiduciaries to assist with investment monitoring, and recordkeeping services. Typically, Turnkey ERISA Solutions are most appropriate for smaller ERISA governed plans. Currently approved Turnkey ERISA Solutions include:

- Charles Schwab (f.k.a. TD Ameritrade) Retirement Plan; and
- Capital Group American Funds "Plan Premier" (additional American Funds non-fiduciary plan offerings are available for Registered Representatives).

Sales of commission-based products are not permitted to a plan if it is using the advisory based Turnkey ERISA solutions.

3.6.5. Discretionary Trading Authority in ERISA-Governed Plans

Neither EFA nor its advisory representatives may exercise discretionary trading authority in ERISA-governed retirement plans.

3.6.6 Fiduciary Principles

Generally, the Firm is not a fiduciary to a plan. When the Firm does business with a plan, a consulting agreement must be used which clearly defines the Firm as non-fiduciary. Firm & IARs are prohibited from performing tasks that would appear to make them a fiduciary. In limited circumstances, ESI will act as a fiduciary (e.g. Turnkey ERISA Solutions).

If ESI is a fiduciary for purposes of ERISA as determined above, it will be subject to the fiduciary responsibility provisions of Title I of ERISA and, accordingly, will:

- Act solely in the interest of, and for the exclusive benefit of the plan;
- Perform all duties with the level of care, skill, and diligence that a prudent person must use when conducting similar business. To act prudently, ESI will (i) consider the alternatives reasonably available to it; (ii) evaluate the relevant facts on each investment and investment strategy; (iii) and consider how the investment fits into the overall goals of each plan client; and
- Act in accordance with the plan fiduciary representations and directions.

3.6.7 Disclosure Requirements to Plans

As a covered service provider, ESI is required to provide fee disclosures to covered plans to enable the plan fiduciary/administrator to make an informed decision about the reasonableness of fees as required under ERISA Section 404(a)(1). ESI's obligation to provide disclosures depends on ESI's role in dealing with a covered plan. This section provides a general explanation of the requirements. This requirement is separate from disclosure requirements for fiduciaries.

3.6.7.1 Required Disclosures

If ESI is subject to Rule 408(b), it must provide the following disclosure in writing to covered plans:

- Description of services;
- If applicable, that the services are provided in the role of fiduciary
- Status of ESI (e.g., registered investment adviser, fiduciary or both);

- Compensation, including:
  - Description of all direct compensation either in aggregate or by service to be received
  - Indirect compensation to be received (describing services and payor);
  - Description that compensation will be paid among related parties including identification of payers and recipients of compensation
  - Any related compensation if set on a transaction basis, or charged directly against a plan's investment and reflected in the net asset value of the investment;
  - Description of any compensation to be received in connection with termination, including how any prepaid amounts will be calculated and refunded upon termination; and
  - Description of the manner in which it receives the fees (e.g., billed or deducted).
- EFA does not provide recordkeeping services
- Manner of receipt of the compensation
- Fiduciary services provided and related compensation (if applicable)

3.6.7.2 Timing of Disclosures

- Required disclosures must be provided reasonably in advance of the date the contract or arrangement is entered into and extended or renewed.
- ESI will disclose any material change to the required information as soon as practicable but in any case no later than 60 days from the date on which ESI has knowledge of the change. ESI may take additional time in extraordinary circumstances.
- In the event of an error in a disclosure, the covered service provider must correct the information as soon as practicable but no later than 30 days after knowing of the error or omission.
- ESI will disclose, upon written request, any other information relating to compensation received in connection with the arrangement, if it is required for the investing plan to comply with the reporting and disclosure requirements of ERISA and the regulations, forms and schedules issued thereunder. will be provided not later than 30 days after receipt of a written request from the responsible plan fiduciary or plan administrator unless the disclosure is precluded due to extraordinary circumstances beyond ESI's control. In that case, it will disclose the information as soon as practicable.

If ESI provides an investment product that holds plan assets, it will provide the following additional disclosures:

1. Description of any compensation that will be charged directly against the amount invested;
2. Description of any operating expenses (e.g., expense ratio); and
3. Description of any other ongoing expenses.

ESI may seek to comply with some or all of the disclosure obligation by providing Part 2A of its Form ADV and incorporating the Form by reference and by cross-referencing other disclosure documents made available to clients.

3.6.7.3 Compensation

ESI must describe:

- the direct and indirect compensation to be received by it and its affiliates and sub-advisers. Direct compensation means "compensation" (i.e., anything of monetary value, such as money, gifts, awards and trips, but excluding non-monetary items of $250 or less received during the term of the contract or arrangement) that is received directly from a plan. Indirect compensation is "compensation" that is received from any source other than the plan, the plan sponsor, the covered service provider, an affiliate of the service provider or a subcontractor of the service provider;
- the manner of payment, e.g., whether it will bill the plan, deduct fees from plan accounts or reflect a charge against the plan investments; and

- any compensation ESI reasonably expects to receive in connection with termination of the contract (e.g., a surrender charge) and how prepaid amounts will be calculated and refunded upon termination of the contract (e.g., if ESI charges in advance for a particular period, e.g., quarterly).

3.6.7.4 Agreement

In each agreement with a covered person, ESI will describe the services it provides.

3.6.7.5 ERISA

Because solicitation arrangements with persons soliciting retirement plans and other accounts subject to ERISA may subject such arrangements to the prohibited transactions of ERISA, ESI will not enter such arrangements.

Chapter 4 - Anti-Money Laundering

4.1 Policy

It is the policy of EFA 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 the movement of criminally derived funds to conceal the true source, ownership, or use of the funds. The funds are filtered through a maze or series of transactions, so the funds are "cleaned" to look like proceeds from legal activities.

In general, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash profits from criminal activity are converted into monetary instruments, such as money orders or traveler's checks, or deposited into accounts at financial institutions. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to separate further the proceeds from their criminal origin. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund further criminal or legitimate activities.

All IARs and employees are responsible for having a general understanding of money laundering and immediately reporting suspected money laundering activities to the Anti-Money Laundering ("AML") Compliance Officer.

This section outlines ESI's anti-money laundering ("AML") program including report filing and recordkeeping requirements. The program has been reviewed and approved by a member of senior management. Money laundering laws and rules include digital assets regardless of whether they meet the definition of a security or commodity. These policies will be updated and appropriate procedures and action effected when new rules are adopted.

4.2 Background

On October 26, 2001, the President signed into law the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (“USA PATRIOT Act”). Prior to the passage of the USA PATRIOT Act, regulations applying the anti-money laundering provisions of the Bank Secrecy Act (“BSA”) were issued only for banks and certain other institutions that offer bank-like services or that regularly deal in cash. The USA PATRIOT Act required the extension of the anti-money laundering requirements to financial institutions, such as registered and unregistered investment companies, that had not previously been subjected to BSA regulations.

The BSA is a tool the U.S. government uses to fight drug trafficking, money laundering, and other crimes. Congress enacted the BSA to prevent financial service providers (such as banks and broker-dealers) from being used as intermediaries for, or to hide the transfer or deposit of, money derived from criminal activity. Money laundering schemes may include the use of wire transfers, cash, bearer instruments, traveler’s checks, money orders, cashier’s checks, and other negotiable instruments.

4.2.1 Definitions

Monetary instruments:

1. Currency;
2. Traveler's checks in any form;
3. All negotiable instruments (including personal checks, business checks, official bank checks, cashier's checks, third-party checks, promissory notes (as that term is defined in the Uniform Commercial Code), and money orders) that are either in bearer form, endorsed without restriction, made out to a fictitious payee (for the purposes of Section 103.23), or otherwise in such form that title thereto passes upon delivery;
4. Incomplete instruments (including personal checks, business checks, official bank checks, cashier's checks, third-party checks, promissory notes (as that term is defined in the Uniform Commercial Code), and money orders) signed but with the payee's name omitted; and

5. Securities or stock in bearer form or otherwise in such form that title thereto passes upon delivery.
6. Monetary instruments do not include warehouse receipts or bills of lading.

Digital assets: Instruments that may qualify under applicable U.S. laws as securities, commodities, or security- or commodity-based instruments such as futures contracts or swaps. There is no uniform legal definition, and digital assets have different labels such as cryptocurrencies, digital tokens, digital currencies, virtual assets, and initial coin offerings.

ESI's brokerage trading platform, provided by NFS, does not support the trading of digital assets. If, in the future, NFS changes its position with respect to permitting such activity, ESI will not permit trading of digital assets in client accounts until such activity has been evaluated and approved by the Firm's Product Committee.

4.3 Responsibility

The CCO or Designee has been as EFA's AML Compliance Officer who has the authority to oversee the firm's anti-money laundering process. The CCO or Designee is responsible for developing policies and procedures, and internal controls to achieve compliance with AML rules and regulations. The AML Compliance Officer may be contacted whenever a IAR or employee has questions about the Firm's program, a current or prospective account, or activities or transactions that raise questions about potential money laundering activities. An IAR or employee may also provide information anonymously to the AML Compliance Officer. The AML Compliance Officer is responsible for investigating suspected money laundering activities and taking corrective action when necessary.

4.4 Procedure

EFA has adopted procedures to implement the Firm's policy and reviews to monitor and ensure the Firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

4.4.1 Client Identification Procedures - All client identities must be verified before an account is opened. EFA uses documents, non-documentary methods, or a combination of both methods to verify the identity of its client. In general, each client must provide documentary evidence of the client's name, address, date of birth, social security number or tax identification number. Before opening an account for a corporation or other legal entity, the client must generally provide documentary evidence of the entity's name, address and that the acting principal has been duly authorized to open the account. EFA will not open an account or otherwise accept any investment from a client who does not provide adequate information to verify its identity. Also, EFA will not open an account or accept any investment from unnamed and/or unidentified clients or third parties acting on behalf of unidentified clients. EFA will retain records of the identifying information for a period of five years from the date that the account is closed. For a period of five years from the date that the record is required to be made, AML Compliance Officer will retain a copy of the following:

a. A description of any document relied upon as verification of the identity of the client, including the type of document, any identification number contained in the document, the place of issuance and, if any, the date of issuance and expiration date.
b. A description of the methods and results of any measures undertaken to verify the identity of the client.
c. A description of the resolution of any substantive discrepancy discovered during the verification process.

4.4.2 Prohibited Clients - EFA will not open accounts or accept funds or securities from, or on behalf of, any person or entity whose name appears on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control, from any Foreign Shell Bank or from any other prohibited persons or entities as may be mandated by applicable law or regulation. EFA will also not accept high-risk clients (with respect to money laundering or terrorist financing) without

conducting enhanced, well-documented due diligence regarding such prospective client. In addition, EFA does not accept accounts from foreign addresses.

4.4.3 Reporting and Penalties

Participation in a money laundering scheme or the knowing receipt of proceeds from criminal activities is a crime. The Firm, its IARs and its employees are subject to severe criminal, civil, and regulatory penalties if they facilitate or participate in money laundering activities. Violations by RR or employees may result in internal disciplinary action including termination.

An IAR or employee may be deemed to be facilitating or participating in money laundering by engaging in a transaction with a customer (accept a deposit, arrange a withdrawal, effect a trade, *etc.*) when he or she is aware of, or willfully ignores, the fact that the customer is engaged in illegal activities.

Engaging in money laundering is a federal crime with severe penalties for those engaged in criminal activities and those who facilitate, intentionally or inadvertently, money laundering. It is important that the Firm, as well as all RR and employees, remain diligent and active participants in the Firm's anti-money laundering program.

All IARs and employees are obligated to promptly report to Compliance any known or suspected violations of anti-money laundering policies as well as other suspected violations or crimes related to the Firm's business. If the potential violation implicates the AML Compliance Officer, it should be reported to a senior officer of the firm. All reports are confidential and the employee will suffer no retaliation for making them. This is an obligation imposed on **all** IARs and employees.

What to report: Crimes or suspected crimes by individuals (whether or not associated with ESI) are required to be reported. This includes suspicion that ESI is being used as a conduit for criminal activity such as money laundering or structuring transactions to evade the BSA reporting requirements. There is no clear definition of what constitutes a "crime." If you believe some improper or illegal activity is occurring, it is your obligation to report it. Compliance is responsible for conducting an investigation and reporting to the proper authorities, if necessary.

4.4.4 Independent Testing

The AML Compliance Officer will periodically (at least annually) arrange for review of ESI's policies and procedures regarding money laundering and the effectiveness of the program. The annual review must be conducted by a person(s) who is independent, i.e. do not report directly or indirectly to the AML Compliance Officer or Chief Compliance Officer or Designee. Generally, such reviews will be conducted by personnel of the National Life Internal Audit group or an outside professional service company to conduct such an audit, e.g. a third-party accounting firm, law firm or compliance consultant. The professional qualifications of the independent auditors, if not already known, will be considered prior to engaging a third party to conduct the audit.

4.4.5 Annual Education

All IARs and home office ESI employees are provided with the Anti-Money Laundering policy when they are hired. In addition, ongoing education may include inclusion of the subject in the firm element continuing education program, periodic circulation of EFA's policy, the Firm's annual compliance meeting and other educational programs directed at specific employees.

Training topics may include the following, and any other subjects the AML Compliance Officer deems to be included:

- How to identify red flags and signs of money laundering
- What to do once the risk is identified (how, when and to whom to escalate unusual customer activity or other red flags)
- Employees' roles in EFA's compliance efforts

- EFA's record retention policy
- Disciplinary consequences (including civil and criminal penalties) for non-compliance

The AML Compliance Officer is responsible for retaining records of employees trained, the dates of training, and the subjects included in training.

4.4.6 OFAC List And Blocked Property

The U.S. Treasury Department's Office of Foreign Assets Control (OFAC) is responsible for publishing sanctions against persons, corporations, and other entities including foreign governments that have been identified by the U.S. Government as engaging in criminal activities including drug trafficking and terrorist activities. The Firm is obligated to check its accounts against the lists of blockings to ensure it does not engage in prohibited transactions which include securities transactions and transfer of assets out of a blocked account or to a blocked person or entity.

The Firm has procedures to monitor the OFAC lists and comply with requirements to block property and notify OFAC when required. Questions regarding the Firm's program should be referred to the AML Compliance Officer. More information is also available at the OFAC website at *www.treas.gov/ofac*.

EFA complies with the requirements to block the property of sanctioned persons or entities and prevent the transfer of assets to such persons or entities. In addition, EFA will block securities issued by sanctioned countries and other sanctioned issuers. OFAC (the Office of Foreign Assets Control of the U.S. Treasury Department) is responsible for enforcing the sanctions and publishes, on its website (*www.treas.gov/ofac*), information about sanctions.
The information is divided into several categories including:

- Persons and entities subject to sanctions, *Special Designated Nationals and Blocked Persons* (SDN list)
- Persons and entities engaged in drug trafficking, *Specially Designated Narcotics Traffickers* (SDNTKs)
- Terrorists and terrorist organizations, *Specially Designated Terrorists* (SDTs)
- Countries, governments, and other entities subject to sanctions

OFAC requirements apply to all persons and entities under U.S. jurisdiction, including foreign branches of U.S. institutions. This also includes foreign institutions that operate in the U.S.

The term "OFAC list" in this section includes all sanctions published by OFAC even though the information may appear in multiple lists. EFA will not permit prohibited transactions with sanctioned parties and will file reports with OFAC when necessary.

4.4.6.1 Prohibited Transactions

EFA is prohibited from conducting transactions in any account on behalf of a sanctioned party or in certain blocked securities. Securities and funds may not be released and securities transactions may not be executed. Securities and funds may be deposited to a blocked account, but no securities or funds will be released until the account is no longer subject to sanctions. Funds or securities may not be transferred to sanctioned parties.

EFA also does not permit accounts for individuals or entities found to be engaged in business activities that are prohibited under federal law, including those whose activities are regulated, licensed and/or approved at the state or local level. This includes, but is not limited to, accounts for entities that are licensed as marijuana dispensaries or retailers.

4.4.6.2 Blocking Requirements

Blocking requirements are generally triggered under the following circumstances:

- An account is opened for someone included on an OFAC list.
- The owner of an existing account is added to an OFAC list.

- A security is identified in a customer account where the issuer is the subject of sanctions.
- A request is made by a customer to pay or transfer funds or securities to a blocked person or entity.

While title to blocked property remains with the blocked person or entity, transactions affecting the property (including transfer of the assets) cannot be made without authorization from OFAC. Debits to blocked accounts are prohibited, but credits may be accepted. Cash balances in blocked accounts must earn interest at commercially reasonable rates. Blocked securities may not be paid, withdrawn, transferred (even in book transfer), endorsed, guaranteed, or otherwise dealt in.

It is not a violation to open an account for a blocked person. The violation occurs when the account is not frozen and assets are allowed to transfer out of the account. In addition, OFAC restrictions may vary depending on the blocked person or entity; details of blocking requirements are explained at the OFAC website.

4.4.6.3 Monitoring Procedures

Monitoring is to be conducted as follows:

- Operations personnel should be aware of the countries included on the OFAC list, to watch for new accounts to be opened for or requests to transfer funds or securities to residents of those countries. Operations personnel must check new non-brokerage (accounts not held or cleared by NFS, i.e., "application-way" or "direct accounts") accounts against the OFAC list contained in the eIDcompare. Potential matches from eIDcompare will be reviewed using the Accurint software prior to submitting the account for principal review, and through the iComply software after the account is set up.
- Designated Review Staff (generally operations personnel in the Firm's Main Office) are scheduled to monitor new accounts and existing account by reviewing the iComply OFAC software on a daily basis. Flagged accounts are reviewed to determine an exact match exists, or if the match is a false positive. Exact matches must be immediately reported to the AML Compliance Officer. Matches which are false positives must be cleared by the Designed Review Staff.
- ESI's clearing firm has procedures to monitor new accounts, existing accounts, security positions, and potential disbursements of funds or securities.
- The Corporate Accounting Group reviews the iComply software against all payees prior to mailing a corporate check.

Regulators or law enforcement agencies may ask the industry's cooperation in identifying accounts for individuals or entities under investigation or suspected of criminal activities. The AML Compliance Officer is responsible for responding to such requests; providing the necessary information; and retaining records of requests, reviews conducted pursuant to requests, and information provided to authorities.

4.4.6.4 Blocking Property

Any blocked account will not be permitted to engage in transactions other than the acceptance of deposits of funds or securities. Open orders of blocked accounts will be cancelled.

4.4.6.5 Reporting Blocked Property And Legal Actions

When an account or disbursement is blocked or a blocked security is identified, the clearing firm will notify OFAC within 10 days of blocking any brokerage accounts held or cleared by the clearing firm. Compliance will notify OFAC within 10 days of blocking any application-way or direct accounts. Reports filed by ESI will be retained in a file of blocked accounts or securities. Information to be reported includes:

- Owner or account party
- Property and property location
- Existing or new account number
- Actual or estimated value
- Date property was blocked

- Copy of the payment or transfer instructions
- Confirmation that funds have been deposited in a blocked account that is identified as blocked
- Name and phone number of contact person at EFA

For rejected disbursements, the following information is to be filed:

- Name and address of the transferee financial institution
- Date and amount of the transfer
- Copy of the payment or transfer instructions
- Basis for rejection
- Name and phone number of contact person at EFA

U.S. persons involved in litigation, arbitration, or other binding alternative dispute resolution proceedings regarding blocked property must provide notice to OFAC. Copies of all documents associated with the proceedings will be submitted by Compliance within 10 days of their filing to the OFAC Chief Counsel at the U.S. Treasury Department. In addition, information about the scheduling of any hearing or status conference will be faxed to the Chief Counsel.

Disbursements of funds or securities may not be made to sanctioned parties. EFA's clearing firm is responsible for monitoring requests for disbursements for brokerage accounts held or cleared by the clearing firm. Transfer agents holding the accounts for application-way or direct accounts are responsible for monitoring requests for disbursement from such accounts.

Operations personnel are an important first line of defense in preventing transactions with sanctioned parties. The following guidance is provided to assist Operations personnel in identifying blocked parties. Any questioned accounts or transactions should be referred to Compliance.

- Be familiar with countries included on the OFAC list. These are countries considered potential havens for money laundering, drug trafficking, or terrorist activities. Information is included on the OFAC website at *www.treas.gov/ofac.*
- When processing the opening of accounts, question accounts for residents of countries included on the OFAC list.
- Question requests to transfer funds or securities to residents or entities domiciled in any country included on the OFAC list.

4.4.7 Cash or Cash Equivalents

Cash or currency deposits or attempted deposits that appear to be part of a deposit structure to avoid Internal Revenue Service ("IRS") or U.S. Customs currency reporting requirements or Firm limitations, or are otherwise suspicious, may not be accepted and must be reported to Compliance. RRs and employees are prohibited from:

- aiding or advising a customer in structuring a transaction to avoid reporting requirements;
- holding instruments for deposit on succeeding days;
- transporting cash or cash equivalents or bearer instruments to a bank on behalf of a customer.

EFA does not accept cash or currency from customers. If a customer attempts to deposit cash or currency, the employee receiving the deposit is responsible for refusing the deposit and advising the customer EFA will only accept checks made payable to the clearing firm or to the securities product issuer. Cash is neither deposited, withdrawn or exchanged.

In the event cash is inadvertently accepted, the following steps must be followed:

- Immediately provide the cash to SVP, Securities Operations.
- The SVP, Operations is responsible for counting the cash (2 people must be present to verify the amount) and entering the amount into a log to appear in the customer file.
- Immediately thereafter the cash must be personally delivered to the Firm's bank to obtain a cashier's check or money order made payable to the customer and then have the check/money order sent to the customer that same day.

- The SVP, Operations is responsible for filing Form 4789 (Currency Transaction Report) with the IRS by the 15th calendar day after receipt for cash in excess of $10,000 for one person on any one day.
- The SVP, Operations is responsible for retaining a file of forms filed with the IRS.

Cash equivalents are items that can be converted from cash into a negotiable instrument without deposit or withdrawal into/from a financial instruction. These include, but are not limited to, travelers checks, money orders, "money-grams", bearer bonds, or similar. Customers who attempt to deposit cash should be advised to submit a personal check to his or her account. Use of cashier's checks or third party checks may be accepted by EFA.

Traveler's checks: The Firm does not accept traveler's checks as payment for securities purchases or as deposits into customer accounts.

Bearer bonds: The Firm does not accept receipt of bearer bonds for deposit into a client's account. Representatives and employees should not accept or otherwise handle bearer bonds.

Money Orders: The Firm does not accept money orders as payment for securities purchases or as deposits into customer accounts.

Bank Checks, Third Party Checks and Cashier Checks: These instruments are also considered cash equivalents and must be handled with enhanced due diligence. Cash equivalents are often utilized in what is known as "structuring," an attempt to avoid reporting requirements by spreading deposits of currency or cash equivalents on a single day, over a number of days or in a number of accounts, and must therefore be closely monitored. Cashier's checks, bank checks and third party checks may be accepted for investments or deposit into accounts, subject to the following requirements and ESI' review:

- The name of the remitter must be indicated on the check.
- The check must be from a U.S. bank.
- Source of funds and authenticity can be reasonably determined during ESI's due diligence review.
- EFA reserves the right to refuse payments that may be questioned during ESI's review.

IARs and employees must be cognizant of any attempts to structure payments through the Firm to avoid reporting requirements. Employees and representatives are responsible to report potentially structured transactions to the AML Compliance Officer.

4.4.8 Reporting Requirements

The following summarizes the reporting requirements under the Bank Secrecy Act. EFA's designated supervisor of Operations is responsible for maintaining records of any reports required to be filed by EFA.

Transactions Involving Currency Over $10,000

The Bank Secrecy Act requires reporting certain transactions relating to currency transactions, as follows:

- Report cash or currency deposits of more than $10,000, including multiple deposits on the same day that would total more than $10,000. A Currency Transaction Report (CTR) is filed with the Financial Crimes Enforcement Network (FinCEN), a bureau of the Treasury Department. Some state regulators also require reporting of currency transactions.
- Report currency or bearer instruments over $10,000 transferred into or out of the U.S. The Currency and Monetary Instrument Transportation Report (CMIR) is filed with the U.S. Customs Service.

If EFA accepts a currency deposit exceeding $10,000, it will file a CTR with the Financial Crimes Enforcement Network (FinCEN). Multiple transactions by the same person equaling over $10,000 in any one day must also be reported.

"Currency" is defined as the coin and paper money of the U.S. or legal tender of other countries. Currency also includes U.S. silver certificates, U.S. notes, federal reserve notes, and official foreign bank notes customarily used and accepted as a medium of exchange in a foreign country.

Transactions Involving Currency Or Bearer Instruments Over $10,000 Transferred Into Or Outside The U.S.
A Currency and Monetary Instrument Transportation Report (CMIR) will be filed with the U.S. Customs Service to report transactions in currency and/or bearer instruments which alone or in combination exceed $10,000 and which are shipped or transported into or outside the U.S. This filing is not required for currency or other monetary instruments mailed or shipped through the postal service or by common carrier. NFS is responsible for filing these reports and maintaining records of them.

Foreign Financial Accounts
EFA does not maintain foreign financial accounts.

4.4.8 Information Sharing Between Financial Institutions

[USA PATRIOT Act Section 314(b); Bank Secrecy Act 31 CFR Chapter X Part 1023 Subpart E; Section 314(b) Fact Sheet: Section 314(b) Fact Sheet (fincen.gov)]

Under an AML regulation, financial institutions are permitted to share information regarding those suspected of terrorist or money laundering activities. Information sharing is not required but is permitted solely for the purpose of facilitating identification and reporting. The regulation provides immunity from other laws restricting information sharing if certification and confidentiality requirements of the regulation are satisfied.

Institutions that share information are required to provide FinCEN with a certification that confirms, among other things, the name of the institution; that the institution will maintain adequate procedures to protect the security and confidentiality of the shared information; that the information will be used only for the authorized purpose; and the identity of a contact person at the institution. Certification may be made online at *www.treas.gov/fincen* and must be re-certified annually if information sharing is to continue.

If EFA decides to share information, the AML Compliance Officer is responsible for developing confidentiality procedures and to file the initial and annual certifications. In addition, the AML Officer will verify that any financial institution with which EFA shares information has itself filed the requisite certification. A written letter or attestation will be required from the other financial institution and maintained in the AML Officer's files or a list provided by FinCEN will be consulted and a record made that the other institution has filed the required certification.

ESI will work with NFS to exchange information, records, data and exception reports as necessary to comply with AML laws. Required certifications for information sharing are on file. As a general matter, the clearing firm will monitor EFA's customer activity on EFA’s behalf, and NFS will be provided with proper customer identification information as required to successfully monitor customer transactions. Each firm is responsible for its own independent compliance with AML laws. ESI and NFS cannot disclaim their respective responsibilities to comply with AML requirements.

4.4.9 Suspicious Activity

EFA is required to file Suspicious Activity Reports (SARs) for transactions that may be indicative of money laundering activity. EFA and NFS have developed procedures for filing the required reports. A SAR is filed for a suspicious transaction involving $5,000 or more in funds or other assets. The AML Compliance Officer is responsible for reviewing potential suspicious activity. It is important for IARs and employees to report suspicious activity to Compliance.

EFA, its IARs and its employees cannot disclose to the customer or anyone other than authorized regulators that it has filed a SAR. Questions regarding SAR filings should be referred to Compliance.

4.4.9.1 Identifying Potential Suspicious Activity - EFA uses a number of tools to identify potential suspicious activity including:

a. Education of ESI personnel, particularly supervisors in Operations areas,

b. Information or reports provided by the clearing firm and ESI's back-office system,

c. IAR and employee reports of potential suspicious activity forwarded to the AML Compliance Officer.

4.4.9.2 Monitoring Accounts for Suspicious Activity - ESI will provide ongoing monitoring of the activities of its customers primarily with the following methods:

4.4.9.2.1 National Financial Services ("NFS") Generated Reports - NFS provides EFA with reports to monitor for suspicious activity. Such reports include:

a. **CIP Restriction Code Reports:** This NFS system generates reports to ESI Operations based on comparing account holders against a database of individuals who have adverse information on file at NFS. Adverse information includes information filed by industry members based on prior activity and searches of media information for adverse information, e.g., fraudulent activity, criminal indictments, etc. NFS notifies ESI of possible and definite customer adverse media matches via NFS Service Center. The system also compares the account holder against the list of restricted persons and countries maintained by OFAC. NFS forwards reports of all potential OFAC matched accounts to ESI via the NFS Service Center.

   NFS Reports generated upon a flagged event are reported to Operations. Operations must research the matter to determine whether the reported information relates to the indicated account holder. Matters which cannot be resolved as false positives by Operations must be reported to the AML Compliance Officer. Issues flagged on the NFS Reports must be resolved by Operations or referred to the AML Compliance Officer. Activity deemed suspicious by Operations must be immediately referred to the AML Compliance Officer for further action.

b. **TRACER** - This NFS system screens outgoing wires for matches with the list of individuals and countries maintained by OFAC. Potential matches are initially evaluated by NFS. If NFS is unable to resolve the match, a notation is entered by NFS on the TRACER wire system to notify Operations of the problem. NFS will notify Operations via NFS Service Central before the close of the business day to determine if the wire can be made. Wires which cannot be made due to a match with the OFAC list must be reported by Operations to the AML Compliance Officer immediately.

c. **Equifax CDC (Compliance Data Center)** - This NFS system sends alerts to the CCO and VP, Compliance via NFS Service Center when there is a match of adverse information on a client. The CCO directs such notices to Operations to review for potential matches. Operations must notify the AML Compliance Officer immediately for any potential matches identified during their review.

d. **Foreign Bank Accounts** - NFS Risk notifies Operations via NFS Service Central when a foreign bank account is listed. Operations has 30 days to respond back to NFS Risk with a Foreign Bank Certificate.

e. **Potential Suspicious Activity Report** - This NFS system uses confidential screening methods to provide accounts with a score, based on account activity, and flags potentially suspicious activity. The system primarily looks for suspicious money flows, such as excessive wires, high risk countries, excessive check writing, excessive transfers, etc.

   Positive hits are reported on the Alert Monitor located within Wealthscape, which Operations is responsible to monitor. Operations must log into the website and download

the reports on a daily basis and research the matter to determine whether the reported information relates to the indicated account holder. Matters which cannot be resolved as false positives by Operations must be reported to the AML Compliance Officer. Potential Suspicious Account Activity Reports must be resolved by Operations or referred to the AML Compliance Officer. Activity deemed suspicious by Operations must be immediately referred to the AML Compliance Officer.

All reports that are pulled from the Alert Monitor with positive hits are maintained in Docupace.

4.4.9.2.2 Account Surveillance

Compliance reviews an exception report, the Withdrawal Report, generated from the Firm's back office system quarterly. Compliance has discretion to change the parameters of the report based on needs. The Firm may produce and review additional exception reports as deemed necessary.

The designated reviewer will review transactions in the context of other account activity to determine if a transaction lacks financial sense or is suspicious because it is an unusual transaction for that customer. Transactions which are deemed suspicious by the reviewer will be reported immediately to the AML Compliance Officer, who will determine if an SAR must be filed.

4.4.9.2.3 Account Opening Procedures

EFA reviews new account applications to determine if all required information has been provided to open an account (name, address, TIN, etc.). Customers who are contacted to provide missing information and who are unwilling to provide such information may be considered to be engaging in suspicious activity and must be immediately reported to the AML Compliance Officer. The AML Compliance Officer will review the matter to determine if an SAR must be filed. Reports and correspondence regarding the reports will be retained for the required periods.

4.4.9.3 Filing a SAR

A SAR must be filed for any transaction that, alone or in aggregate, involves at least $5,000 in funds or other assets, if EFA knows, suspects, or has reason to suspect that the transaction (or a pattern of transactions of which the transaction is part) falls into one of the following categories:

- Transactions involving funds derived from illegal activity or intended or conducted to hide or disguise funds or assets derived from illegal activity.
- Transactions designed, whether through structuring or other means, to evade the requirements of the Bank Secrecy Act (BSA).
- Transactions that appear to serve no business or apparent lawful purpose or are not the sort of transactions in which a particular customer would be expected to engage, and for which EFA knows of no reasonable explanation after examining the available facts.
- Transactions that involve the use of ESI to facilitate criminal activity.

Excluded from the filing requirement are violations otherwise reported to law enforcement authorities such as:

- a robbery or burglary that is reported to law enforcement authorities;
- lost, missing, counterfeit, or stolen securities reported pursuant to 17f-1;
- a violation of federal securities laws or SRO rules by ESI, its officers, directors, employees, or RRs that are reported to the SEC or SRO, except for violations of Rule17a-8 (filing of Currency and Transaction Reports) which must be reported on a SAR.

If the AML Compliance Officer determines to file a SAR directly with FinCEN, the AML Compliance Officer will file:

- within 30 days of becoming aware of the suspicious transaction;

- if no suspect has been identified within 30 calendar days of detection, reporting may be delayed an additional 30 calendar days or until a suspect has been identified, but no later than 60 days from date of initial detection.

In situations involving violations requiring immediate attention (such as terrorist financing or ongoing money laundering schemes), the AML Compliance Officer will immediately notify by telephone an appropriate law enforcement agency. Suspicious transactions that may relate to terrorist activity may also be reported to FinCEN's Financial Institutions Hotline. In either event, a SAR will be filed.

The AML Compliance Officer maintains a file of copies of SARs filed with FinCEN and all related documents for a period of 5 years from the filing date.

4.4.9.4 Prohibition Against Disclosure

By statute and regulation, EFA may not inform customers or third parties that a transaction has been reported as suspicious. U.S. Treasury and Federal Reserve Board regulations also require EFA to decline to produce SARs in response to subpoenas and to report to FinCEN and the Federal Reserve Board the receipt of such requests and ESI's response.

Compliance (or EFA's counsel) is responsible for responding to subpoena requests and Compliance will notify FinCEN and the Federal Reserve Bank of any subpoenas for SARs.

Procedures to protect the confidentiality of SARs include the following:

- Access to SARs is limited to employees on a "need-to-know" basis;
- SARs will be maintained in locked physical or limited access electronic files;
- SARs may not be left on desks or on open computer files and must be viewed without access by unauthorized persons;
- SARs shared with others will be clearly marked "Confidential".

While SARs are to be treated as confidential, ESI will provide SARs and supporting documentation upon request of the SEC.

4.4.9.5 Politically Exposed Persons (PEP)

FinCEN has highlighted how corrupt foreign PEPs' activity may trigger suspicious activities requiring reporting. FinCEN's advisory lists red flags which are incorporated into the Firm's suspicious activity identification and reporting process.

4.4.10 Requests And Written Notices From Enforcement Agencies

Under the Bank Secrecy Act, financial institutions are required to respond to federal banking agency requests for information relating to anti-money laundering compliance. The Rule requires provision of information and account documentation for any account opened, maintained, administered or managed in the U.S. The AML Compliance Officer maintains records of information provided in response to regulators' requests including the request, date of response, and information provided.

Upon receiving a request from a Federal banking agency, the AML Compliance Officer will provide the requested information within 5 days (120 hours) of receiving the request or will make available the information for inspection by the banking agency.

Enforcement agencies (FinCEN, state, local, and certain foreign law enforcement agencies eligible to make requests) send requests to FinCEN's Secure Information Sharing System (SSIS). The Firm is required to review the SSIS bi-weekly to identify requests for information and to send required information within required timeframes.

Enforcement agency requests are confidential and may not be disclosed to the subject of the request. ESI will not use information provided to FinCEN for any purpose other than (1) to report to FinCEN as required under Section 314; (2) to determine whether to establish or maintain an

account, or to engage in a transaction; or (3) to assist ESI in complying with any requirement of Section 314.

Chapter 5 – Best Execution

5.1 Policy

EFA will as a matter of policy seek best execution for client transactions both in terms of overall cost and execution quality.

5.2 Background

Generally, EFA is required by law to seek best execution of client trades. However, the advisory program selected by a client may require that all securities transactions be executed through a specific broker dealer. For example, EFA has written agreements whereby clients agree that all brokerage transactions will be executed through National Financial Services, LLC ("NFS") for certain programs. In these instances, EFA's ability to seek best execution is limited because of the client's direction to utilize a particular broker-dealer. For example, EFA is prevented from seeking and obtaining more favorable prices and lower commission rates or other charges, than EFA may otherwise might be able to obtain by, for example, negotiating better prices or lower rates of commissions with certain other broker-dealers.

EFA may consider numerous factors in arranging for the purchase and sale of clients' portfolio securities. These include any legal restrictions, such as those imposed under the securities laws and ERISA, and any client-imposed restrictions. Within these constraints, EFA shall deal with members of securities exchanges and other brokers and dealers or banks as EFA approves, that will, in EFA's judgment, provide "best execution" (i.e., prompt and reliable execution at the most favorable price obtainable under the prevailing market conditions) for a particular transaction for the client's account.

In determining the abilities of a broker-dealer or bank to obtain best execution of portfolio transactions, EFA will consider all relevant factors, including:

a. The execution capabilities the transactions require;

b. The ability and willingness of the broker-dealer or bank to facilitate the accounts' portfolio transactions by participating for its own account;

c. The importance to the account of speed, efficiency, and confidentiality;

d. The apparent familiarity of the broker-dealer or bank with sources from or to whom particular securities might be purchased or sold;

e. The reputation and perceived soundness of the broker-dealer or bank; and

f. Other matters relevant to the selection of a broker-dealer or bank for portfolio transactions for any account.

However, EFA will not seek in advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transaction or select any broker-dealer or bank on the basis of its purported or "posted" commission rate structure.

5.3 Responsibility

SVP, Operations has the responsibility for the implementation and monitoring of our best execution policy, practices, disclosures and recordkeeping. Concerns regarding best execution should be brought to the attention of the Investment Committee. Questions regarding this policy or related procedures should be directed to the SVP, Operations.

5.4 Procedure

EFA has adopted procedures to implement the Firm's policy and reviews to monitor and ensure the Firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

5.4.1 No Proprietary Trading - EFA does not trade for its own account and all trade executions take place through third-party relationships.

5.4.2 Periodic Reviews – EFA, acting through the SVP, Operations or other designated employee will review execution pricing and execution through the use of various reports received detailing comparative execution data. These reports will be available on a monthly basis and will be reviewed no less than quarterly.

5.4.3 Disclosure – The CCO is responsible for ensuring that EFA's Form ADV and other disclosure documents makes appropriate disclosure of EFA's best execution practices.

5.4.4 Maintenance and Supporting Documentation - A file containing the best execution data and evidence of review will be maintained by SVP, Operations or other designated employee.

5.4.5 Share Class Selection

When selecting mutual funds for recommendation in an advisory account, the IAR should consider, at a minimum, the following:

- Advantages and disadvantages of different mutual fund share classes;
- Availability of non-12b-1 and/or non-NTF revenue paying share classes;
- The potential effect of various share classes on the client's investment objectives;
- The effect of internal expense ratios on overall account performance;
- The potential effects of ticket charges on actively-traded accounts;
- Any other relevant information that could affect expenses and performance in the client's account.

IARs should seek to obtain the lowest-cost share class available to the client.

Chapter 6 - Books and Records

6.1 Policy

As a registered investment adviser, EFA is required, and as a matter of policy, maintains various books and records on a current and accurate basis which are subject to periodic regulatory examination. Our Firm's policy is to maintain Firm and client files and records in an appropriate, current, accurate and well-organized manner in various areas of the Firm depending on the nature of the records. EFA's policy is to maintain required Firm and client records and files in an appropriate office of EFA for the first two years and in a readily accessible facility and location for an additional three years for a total of not less than five years from the end of the applicable fiscal year. Certain records for the Firm's performance, advertising and corporate existence are kept for longer periods. (Certain states may require longer record retention.)

6.2 Background

Rule 204-2 under the Advisers Act requires investment advisers to maintain certain books and records. Investment advisers should also establish policies and procedures governing:

- The accurate creation of books and records;
- Any appropriate limitations on the availability of certain books and records to certain Employees and outside entities; and
- The proper disposal of books and records that need not be maintained for business or regulatory compliance purposes.

The accurate creation and proper maintenance and use of books and records are an important foundation of any investment adviser's operations and compliance with applicable Federal Securities Laws.

Record retention policies and procedures should be tailored to reflect an adviser's size and operations. Furthermore, any record retention program should be periodically reevaluated, particularly following significant regulatory, operational, or technological changes. Record retention program reviews should evaluate, among other things:

- The effectiveness of the current record retention program;
- Whether the use of electronic and/or hard-copy storage media are meeting the adviser's needs;
- Employees' awareness of, and compliance with, the adviser's record retention program;
- Whether the adviser's current practices are accurately reflected in its written policies and procedures;
- Whether the creation, maintenance, and confidentiality of certain books and records poses particular compliance or business risks for the adviser; and
- Whether the adviser has devoted appropriate amounts of resources to meet its record retention needs.

Employees should be aware that all of the records of a registered investment adviser can be subject to review by SEC examiners. Employees should be aware that the SEC's examination authority includes emails and other electronic communications that relate to a registered investment adviser's business activities, as well as emails and other electronic communications that are sent or received on the adviser's computer systems.

These books and records are required to be maintained on a "current" basis (i.e., posted within 30 days), and must be maintained and preserved in accordance with the rule. In addition to books and records, EFA must maintain a record of transactions in which it or any of its advisory representatives has direct or indirect beneficial ownership.

6.3 Responsibility

The CCO or designee has the overall responsibility for the implementation and monitoring of our books and records policy, practices, disclosures and recordkeeping for the Firm. Questions regarding this policy or related procedures should be directed to the CCO.

6.4 Procedure

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy:

6.4.1 Types of Documents Required to be Maintained - Pursuant to Rule 204-2 of the Advisers Act, EFA must maintain the following books and records:

6.4.1.1 Client Records

a. A memorandum of each order given and instructions received from clients for purchase, sale, delivery, or receipt of securities (showing, among other things, the terms and conditions of the order, who recommended the transaction on behalf of EFA, who placed the order, the account for which the order is entered, the date of entry, and where appropriate the bank, broker or dealer that executed the order).
b. Copies of certain communications sent to or received by EFA (i.e. delivery or request for the Brochure, account statements, and any complaints).
c. A list (or record) of all discretionary client accounts and documents relating to such discretionary accounts, including powers of attorney or grants of authority.
d. All client agreements.

6.4.1.2 Financial Records

a. A journal, including cash receipts and disbursement records, and other records of original entry forming the basis of entries in any ledger.
b. General and auxiliary ledgers reflecting asset, liability, reserve, capital, income and expense accounts or other comparable records.
c. All checkbooks, bank statements, canceled checks, and cash reconciliations of EFA.
d. Bills or statements relating to EFA's business.
e. Trial balances, financial statements, and internal audit working papers.

6.4.1.3 Publications

a. Publications and recommendations distributed to 10 or more persons and a record of the factual basis and reasons for the recommendation (if not included in the publication).
b. Copies of performance advertisements and documents necessary to form the basis for such performance information.

6.4.1.4 Pay to Play Records

6.4.1.4.1 Required Records - If the Firm engages in soliciting advisory business from municipalities, it will maintain the following books and records:

a. All Government entities[7] for which the Firm and any of its Covered Associates[7] are providing or seeking to provide investment advisory services, or which are investors or are solicited to invest in any Covered Investment Pool to which the Firm provides investment advisory services, as applicable;
b. All Government entities to which the Firm has provided investment advisory services in the past five years; and

[7] See definitions in Pay to Play chapter.

c. All direct or indirect Contributions[7] or payments made by the Firm or any of its Covered Associates to an Official[7] of a Government entity, a political party of a state or political subdivision thereof, or a political action committee.

6.4.1.4.2 Content of Records - Records relating to the Contributions and payments referred to above will be listed in chronological order and indicate:

a. The name and title of each contributor;

b. The name and title (including any city/county/state or other political subdivision) of each recipient of a Contribution or payment;

c. The amount and date of each Contribution or payment; and

d. Whether any Contributions were the subject of the exception provided herein for certain returned Contributions.

6.4.1.5 Third-Party Solicitor Agreements - If the Firm enters into agreements or arrangements with third-party solicitors, the Firm shall maintain:

a. Records documenting the Regulated Person[7] status of the third-party solicitor;

b. List of the name and business address of each third-party solicitor; and

c. Agreements and other documents related to the third-party solicitation arrangement.

6.4.1.6 Other Related Records

a. Other contracts related to the business.

b. Other communications, including: (i) communications sent to or received by EFA, such as responses to requests for proposals that detail proposed investment advice, the placing or executing of sale orders, or the receipt, delivery or disbursement of funds or securities; and (ii) litigation and any SEC correspondence, such as deficiency letters, client or employee litigation, and any SEC correspondence.

c. Regulatory forms, including Form ADV and U-4 filings.

d. If EFA were to have custody of client funds, records related to the custody of clients' funds, including accounting, confirmation, examination and other documents. Firm policies do not permit custody of customer funds, other than debits for advisory fees from customer accounts provided that prior notice is given to the client indicating that a debit will be taken. EFA has custody over client funds only to the extent necessary to debit client accounts in connection with its advisory fee.

e. Solicitor documents, including any disclosure statements and written agreements.

f. A record of securities transactions in which EFA or its representatives have a direct or indirect beneficial ownership interest (showing, title and amount of security involved, date and nature of the transaction, price at which the transaction was effected, and the name of the broker, dealer or bank through whom the transaction was effected).

g. Records relating to research reports and similar materials relied upon by EFA in making investment decisions.

6.4.2 Maintenance of Books and Records – EFA maintains its books and records in accordance with the following time period requirements:

6.4.2.1 Must Be Current - Books and records must be maintained on a "current basis" (i.e., posted within 30 days)

6.4.2.2 Period for Maintaining Books and Records – All books and records must be preserved in an easily accessible place for a period of not less than five years from the end of the fiscal

year during which the last entry was made on such record, the first two years in an appropriate office of the investment adviser.

Articles of Incorporation, minutes, and other "corporate" documents must be continuously maintained.

6.4.2.3 Method of Preservation – Records may be stored electronically, if stored in a manner to maintain and preserve from loss and the reproduction of a non-electronic document is legible. Access to records stored electronically will be restricted to authorized employees of EFA and, in certain circumstances, to authorized third parties. ESI maintains electronic records on electronic record storage systems. Duplicate copies of records are provided to an independent third party. Records must be arranged and indexed to permit easy location, access and retrieval.

Records must be arranged and indexed to permit easy location, access and retrieval.

6.4.3 Recordkeeping Responsibility – EFA's designated officer, individual, or department manager(s), as may be appropriate, has the responsibility for the Firm's filing systems for the books, records and files required to be maintained by EFA.

6.4.4 Oversight Responsibility - Periodic reviews may be conducted by the designated officer, individual or department managers to monitor EFA's recordkeeping systems, controls, and Firm and client files.

6.4.5 Records Destruction Policy - EFA recognizes that all records have a limited useful life, and that laws and rules require certain records to be maintained only for a specified number of years. Periodically, the CCO shall permit EFA to destroy records not required to be retained by EFA by the procedures in this chapter.

The CCO shall document the destruction of records, including documenting the date of the destruction and a description of the documents destroyed. Neither EFA nor any of its directors, officers or employees shall destroy any documents if there is a pending or imminent audit, governmental investigation or litigation unless:

- such document is unrelated to such action; and
- an officer or other relevant employee with knowledge of such action determines that it is legal and appropriate to destroy the document after verifying with the Law Department that a litigation hold is not in place.

Chapter 7 - Complaints

7.1 Policy

As a registered adviser, our Firm has adopted this policy, which requires a prompt, thorough and fair review of any advisory customer complaint, and a prompt and fair resolution which is documented with appropriate supervisory review.

7.2 Background

Customer complaints are likely to occur in the course of doing business as an adviser. Complaints may be initiated by the client, the client's attorney or representative, a regulatory authority, or other third party (e.g., custodians and administrators). Complaints can involve a variety of matters, such as the way a transaction was executed, priced, recorded, or settled; the management or administration of and accounting for assets; the basis for fees and payments, or an individual or business entity was solicited or advised. The complaint may include a demand, expressed or implied, for a payment or other remedy, and possibly the threat of regulatory action, litigation or lost business. A complaint may be written or verbal, either by telephone or in person, and may, but need not, include requests or demands that EFA take a specific action, or that it refrain from certain actions. The SEC has not provided specific guidance on how an adviser should handle customer complaints; therefore, an adviser should be guided by general fiduciary duties when addressing complaints.

At a minimum, the Firm has established procedures to track the receipt of verbal or written customer complaints, the investigation of these complaints, and their resolution that is appropriate in light of the Firm's business activities. In addition, the Firm is generally required to maintain copies of all written communications received, and copies of all written communications sent, relating to recommendations or advice, and this requirement would apply to written communications containing client complaints regarding these matters. Note that customer complaints may implicate other EFA policies and procedures.

7.3 Responsibility

EFA's CCO has the primary responsibility for the implementation and monitoring of the Firm's complaint policy, practices and recordkeeping for the Firm.

Questions regarding this policy or related procedures should be directed to the CCO.

7.4 Procedure

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy:

7.4.1 Definition of Complaint - A complaint is defined as any written statement by a customer or a person acting on behalf of a customer alleging a grievance involving a service EFA or any of its employees has provided, or with the conduct of EFA or any of its employees.

7.4.2 Receipt of Complaint - When a written or electronic complaint is received, a copy should be forwarded immediately to Compliance for follow-up (no later than two (2) business days). Each office where ESI regularly conducts business (i.e., handles funds or securities or solicits or accepts customer orders) is required to maintain a separate file of all written customer complaints.

7.4.3 Acknowledgment of Receipt - If appropriate, the CCO or appropriate designee will promptly send the client a letter acknowledging receipt of the client's complaint and indicating that the matter is under review and a response will be provided promptly.

7.4.4 Investigation of Complaints - The CCO or designee will investigate each customer complaint as appropriate. The CCO or designee will document any investigation and/or written communication with a client, and will maintain such documentation.

7.4.5 Prohibition From Participating in the Resolution of a Complaint - Any employee is prohibited from participating in the resolution of the complaint without approval from the CCO or his/her designee.

7.4.6 Maintenance of Records - Compliance will maintain a central record of all customer complaints including the following.

- Complainant's name and address;
- Account number (if applicable);
- Date the complaint was received;
- Name(s) of RRs identified in the complaint;
- Description of the nature of the complaint;
- Disposition of the complaint.

7.4.7 Periodic Review – The CCO or appropriate designee will periodically review the complaint files maintained by supervisors to ensure that appropriate records are being maintained and that complaints are being handled in accordance with these procedures.

Chapter 8 - Corporate Records

8.1 Policy

As a matter of policy, EFA maintains all organizational documents, and related records at its principal office. All organizational documents are to be maintained in a well-organized and current manner and reflect current directors, officers, members or partners, as appropriate. The Firm's organizational documents will be maintained for the life of the Firm in a secure manner and location and for an additional three years after the termination of the Firm.

8.2 Background

As a registered investment adviser and legal entity, EFA has a duty to maintain accurate and current corporate organizational documents.

8.3 Responsibility

The CCO, or designee and/or the Law Department is responsible for the implementation and monitoring of our organizational documents policy, practices, and recordkeeping.

Questions regarding this policy or related procedures should be directed to the CCO.

8.4 Procedure

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy:

8.4.1 Maintenance of Documents - EFA's designated officer will maintain the organizational documents in EFA's principal office in a secure location.

8.4.2 Periodic Review - Organizational documents will be maintained on a current and accurate basis and periodically reviewed and updated by the designated officer so as to remain current and accurate with EFA's regulatory filings, among other things.

Chapter 9 - Custody

9.1 Policy

As a matter of policy and practice, the only instances of custody by EFA are debiting of fees; no other activities constitute custody. As an adviser that generally does not have custody, EFA's general policy is to ensure that we maintain client funds and securities with "qualified custodians" which provide at least quarterly account statements directly to our clients.

9.2 Background

Advisers who have custody or possession of client securities or funds are subject to extensive regulation pursuant to Rule 206(4)-2 under the Investment Advisers Act of 1940. History has revealed that many of the instances of fraud involving advisers were made possible because advisers had custody of and access to client assets. Rule 206(4)-2 was adopted to protect client assets from the adviser's insolvency, prevent the adviser from converting client assets for its own use, and prevent the adviser from reallocating securities among clients to favor certain clients at the expense of others.

The custody rule defines custody as "holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them." The custody definition now includes three examples to clarify what constitutes custody for advisers as follows:

a. possession of client funds or securities, unless an adviser receives them inadvertently e.g., from a client. If the adviser returns them within three business days of receipt, custody can be avoided (inadvertent custody);

b. any arrangement which authorizes or permits an adviser to withdraw client funds or securities, e.g., a general power of attorney, direct debiting of advisory fees, etc.; and

c. any capacity, e.g., general partner of a limited partnership, trustee, etc., that gives an adviser, or supervised person, legal ownership or access to client funds or securities.

The custody rule requires advisers with custody to maintain client funds and securities with "qualified custodians," which include banks, registered broker-dealers, and certain foreign custodians, which provide at least quarterly account statements directly to the adviser's clients. The qualified custodian may either keep separate accounts for each client, or it may keep all client funds of the adviser together, provided that the Adviser is named as agent or trustee of the account (EFA and its IARs are not permitted to act in such an agent or trustee capacity with limited exceptions for immediate family members). However, if the client holds shares of mutual funds, the adviser may utilize the fund's transfer agent instead of a qualified custodian.

For advisers with custody who do use qualified custodians, the prior requirements of having a surprise annual audit and delivering an audited balance sheet as part of Form ADV Part 2A have been eliminated except as noted below. For advisers with custody who do not use qualified custodians, they must still send quarterly account statements to clients and undergo an annual surprise examination by an independent public accountant to verify client funds and securities. Any material discrepancies found by the accountant must be reported to the SEC within one day. The requirement to deliver an audited balance sheet with Form ADV Part 2A has been eliminated for these advisers also.

Advisers deducting fees from Client accounts are deemed to have custody. Deduction of fees by advisers presents the risk that the adviser or its personnel could deduct fees to which the adviser is not entitled under the terms of the advisory contract, which would violate the contract and which may constitute fraud under the Advisers Act.

Advisers are not required to obtain an independent surprise examination of client funds and Securities maintained by a qualified custodian if the adviser has custody of the funds and Securities solely as a consequence of the adviser's authority to make withdrawals from client accounts to pay advisory fees, provided the adviser is not a related person of the custodian. Advisers that have custody only because they deduct fees may continue to answer "no" to the custody questions in Item 9 of Form ADV Part 1.

9.3 Responsibility

The CCO or designee is responsible for the implementation and monitoring of our policies, practices, disclosures, recordkeeping and other requirements as an advisory Firm which does maintain custody of client funds, securities or assets.

Questions regarding this policy or related procedures should be directed to the CCO.

9.4 Procedure

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy:

9.4.1 Qualified Custodian – The CCO is responsible for ensuring that the custodian designated to maintain client assets is a "qualified custodian" and that clients have received the required disclosure concerning the identity of the custodian. For purposes of this policy a "qualified custodian" means:

a. A bank as defined in Section 202(a)(2) of the Advisers Act or a savings association as defined in Section 3(b)(1) of the Federal Deposit Insurance Act that has deposits insured by the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act;

b. A broker-dealer registered under Section 15(b)(1) of the Securities Exchange Act of 1934 holding the client assets in customer accounts;

c. A futures commission merchant registered under Section 4f(a) of the Commodity Exchange Act, holding the client assets in customer accounts, but only with respect to clients' funds and security futures, or other securities incidental to transactions in contracts for the purchase or sale of a commodity for future delivery and options thereon; and

d. A foreign financial institution that customarily holds financial assets for its customers, provided that the foreign financial institution keeps the advisory clients' assets in customer accounts segregated from its proprietary assets.

9.4.2 Employee Education – The Firm will annually remind employees that they may not accept or maintain custody of client assets, and what to do if this happens.

9.4.3 Inadvertent Receipt of Client Funds - In the event any employee of EFA receives funds, securities, or other assets from a client, such employee must immediately notify the SVP, Operations and arrange to return such funds, securities or other assets to the client within one business day of receiving them.

Please note: ESI field offices and IARs may not handle security certificates – certificates must be mailed by the clients directly to NFS. If a security certificate is received, the Field Office and/or IAR must immediately (but no later than one business day) return the certificate to the client.

9.4.4 Quarterly Statements - Clients generally must receive quarterly account statements from the qualified custodian. In addition, upon account opening and upon any changes to the qualified custodian's information, the adviser must notify the client of the qualified custodian's name, address, and how its funds are being maintained.

9.4.5 Deduction of Fees from Client Accounts – To the extent that EFA deducts fees directly from client accounts, it will be deemed to have custody and must comply with the requirements of the Rule 206(4)-2. However, EFA may continue to answer "no" to the custody questions in Item 9 of Form ADV Part 1 because it holds client assets with "qualified custodians."

9.4.6 Advance Fees Paid for Financial Plans/Financial Consulting – Fees may be collected from clients in advance of services being rendered. However, in an effort to assure compliance, the firm has adopted a policy for delivery of the plan/services which is shorter than the SEC regulations allow. Specifically, if an advanced fee for financial planning/consulting services is accepted, and is more than $1,200, the plan and/or services connected with such plan must be completed within 4

months from the receipt of such payment. The SVP, Operations, or his/her designee is responsible for tracking the acceptance of pre-paid fees and ensuring compliance with this procedure. The SVP, Operations, or his/her designee, may return pre-paid fees to the client after the 120th day from the date of original receipt if satisfactory evidence of services rendered has not been provided to the Firm. In all cases, all advance fees must be returned to the client if they exceed $1,200 and the agreed upon services are not provided within 6 months, without exception. The SVP, Operations, or his/her designee, must return pre-paid fees for undelivered services no later than the 180th day from the date of original receipt.

Chapter 10 - Disaster Recovery

10.1 Policy

ESI has developed a Business Continuity Plan (the "Plan") to provide procedures for response and recovery in the event of a significant business disruption. The purpose of the Plan is to identify responsible personnel in the event of a disaster; safeguard employees' lives and Firm property; evaluate the situation and initiate appropriate action; recover and resume operations to allow continuation of business; provide customers with access to their funds and securities; and protect books and records. The Plan was developed considering the types of business conducted, systems critical to support business, and geographic dispersion of offices and personnel.

10.2 Retention And Location of the Plan

Copies of the current and prior versions of the Business Continuity Plan are retained with the Office of National Life Group Corporate Business Continuity Planning and includes the Plan Summary with ESI President's approval. Copies of prior Plan Summaries with ESI's President's approval are dated as of the effective date of the version of the Plan and maintained by ESI Operations. Please see EXHIBIT B: BUSINESS CONTINUITY PLAN for details on the Plan.

10.3 Widespread Health Emergencies

A widespread pandemic or any biologically based threat could have significant impact on the ability of ESI to continue conducting business. ESI relies on National Life's pandemic response plan within the Office of National Life Group Corporate Business Continuity Planning.

10.4 Remote Work

If ESI decides that employees will work remotely, procedures include the following:

- Provide back-up contact information and redirect phone lines to facilitate customer communications
- Provide additional support and communication to staff which may include firm-wide calls and video conferences to provide updates; virtual training; communicating clear guidance about firm expectations; provide additional technology tools, if necessary, for remote workers; provide digital collaboration platforms and applications; and disseminate additional guidance and training regarding technology, tools and services in a remote work environment
- Reminding staff about confidentiality of firm and customer information and cybersecurity and fraud risks

Chapter 11 - Disclosure Document

11.1 Policy

EFA, as a matter of policy, complies with relevant regulatory requirements and maintains our Disclosure Document on a current and accurate basis. Our Firm's Disclosure Document provides information about the Firm's advisory services, business practices, professionals, policies and any actual and potential conflicts of interest, among other things.

11.2 Background

The SEC and other regulatory agencies require investment advisers to maintain and distribute certain disclosure documents. The failure of an adviser to meet statutory disclosure or filing requirements, or more generally to provide Clients with full and fair disclosure, may subject the adviser to regulatory sanctions and/or increase the likelihood of civil litigation.

Registration with the SEC is accomplished through the electronic filing of Form ADV. The Form ADV is divided into three parts. Part 1A asks questions about the investment advisory firm, its business practices, and owners and principals of the firm. Part 2A (the "Firm Brochure") requires advisers to create narrative brochures containing information about the firm. Part 2B (the "Brochure Supplement") requires advisers to create brochure supplements containing information about certain supervised persons of the firm.

Under Rule 204-3 of the Advisers Act, EFA is required to provide all clients and prospective clients with a written disclosure document (this requirement is commonly referred to as the "Brochure Rule"). The major purpose of the "brochure" is to inform clients of our services, fees, business practices, and alert them to possible conflicts of interest and/or material affiliations. As a registered investment adviser, EFA must provide its clients and prospective clients with full disclosure on all material matters. EFA satisfies this disclosure requirement by providing clients and prospective clients with a copy of EFA's Part 2A of Form ADV and the IARs Part 2B of Form ADV.

11.3 Disclosure Document Requirements: Form ADV Part 2A

Throughout this chapter, the term "Brochure(s)" refers to the Firm's Form ADV Part 2A and its Forms ADV Part 2A-Appendix 1 disclosure brochures, as applicable.

11.3.1 Form ADV Part 2A – The Brochure is both part of the Firm's registration statement and the disclosure brochure that the Firm provides to clients and prospective clients. The Brochure is a narrative document that must contain disclosure addressing 18 separate items listed in the General Instructions for Part 2 of Form ADV ("General Instructions")..

11.3.2 Content – The Brochure must cover the information required in the General Instructions. The CCO or other Firm employee responsible for the Form ADV shall refer to and meet each of the requirements set forth in the General Instructions, which are highlighted herein, when preparing and updating the Brochure.

11.3.3 Order of Content - The Brochure will provide the required information in the same order and using the item headings prescribed by the General Instructions..

11.3.4 Cover Page - The cover page of the Brochure will contain the Firm's:

- Name
- Address
- Contact information
- Website address
- Date of the Brochure

The cover page also will include the following standard SEC regulatory disclaimer:

> This brochure provides information about the qualifications and business practices of Equity Services, Inc. doing business as ESI Financial Advisors. If you have any questions about the contents of this brochure, please contact us at 1-800-344-7437 or ESICompliance@nationallife.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.
>
> Additional information about ESI Financial Advisors also is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with ESI Financial Advisors who are registered as investment adviser representatives of ESI Financial Advisors.

If the Firm refers to itself as a "registered investment adviser" or describes itself as being "registered," it will include a statement that registration does not imply a certain level of skill or training:

> ESI Financial Advisors is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

11.3.5 Material Changes - Upon the first amendment to the Brochure (and not the initially created Brochure that is first filed with the SEC), the Firm shall create an annual summary of the material changes to its Brochure. This summary shall be created in connection with each subsequent update. The summary shall describe the material changes made to the Brochure since its last update.

The summary will be placed:

a. on the cover page of the Brochure,

b. on the page following the cover page, or

c. as a separate exhibit that accompanies the Brochure.

11.3.6 Table of Contents - The Brochure will contain a table of contents that lists the 18 required items set forth in the General Instructions for Form ADV Part 2A. The Table of Contents will list the items in the same order as listed in the General Instructions. The Firm may also include sub-headings.

11.3.7 Advisory Business - The Firm shall describe its advisory business consistent with the instructions in Item 4, including whether it holds itself out as specializing in a particular type of advisory service. When providing its assets under management ("AUM") as required by that item, the Firm may use different methodologies from those used in calculating AUM in its Form ADV Part 1. If so, the Firm will retain records supporting its calculations.

11.3.8 Fees and Compensation - The CCO, or his/her designee, shall review the fee tables and other compensation provisions of the advisory agreements the Firm has with its clients. Based on this review, the Brochure shall disclose the range of its fees in a fee table and other compensation the Firm or its personnel receives, including commissions for the sale of a security or other investment product. As required by Item 5, the Firm shall describe the conflicts raised by any compensation practices and how it addresses these conflicts.

11.3.9 Performance Fees and Side-By-Side Management - The CCO, or his/her designee, shall review the advisory agreements the Firm has with its clients to see if it charges any performance fees. If so, the Firm shall disclose that it charges performance fees or has advisory personnel who manage accounts that pay performance fees. If the Firm manages some accounts that are subject to a performance fee and other accounts that are not subject to a performance fee, it will describe:

a. the conflicts of interest arising from the side-by-side management of performance-based fee accounts and the other accounts; and

b. how the adviser addresses those conflicts.

11.3.10 Types of Clients - The CCO, or his/her designee, shall review the types of advisory clients that the Firm provides advisory services to and the Firm's requirements for opening and maintaining client accounts and accurately report this information in response to Item 7 of Part 1 of Form ADV.

11.3.11 Methods of Analysis, Investment Strategies and Risk of Loss – The Investment Committee reviews and selects third party investment advisers. The CCO or his/her delegate shall draft a disclosure document that describes methods of analyses and investment strategies.

Through the process described above, as well as independent sources, the Investment Committee shall identify risks associated with investment strategies used by the Firm as well as specific instruments recommended or used to implement the investment strategies. The CCO or his/her designee, will draft disclosure that describes material risks related to the significant methods of analyses and strategies and certain types of securities IARs or the Firm recommend, with further additional detail if the risks related to foregoing are unusual.

New advisory relationships are reviewed by the Investment Committee. Conflicts of interests are discussed with the Conflicts Committee and the disclosure document is updated as needed.

11.3.12 Disciplinary Information - The CCO, or his/her designee, in responding to this item will use the disciplinary disclosure the Firm has made in Part 1 of the Form ADV and SEC adopted as proposed the requirement that advisers disclose legal and disciplinary events. The CCO, or his/her designee, will make sure that the two sets of disclosure are consistent.

11.3.13 Other Financial Industry Activities and Affiliations - The CCO, or his/her designee, before responding to this item will review relationships the Firm, as an investment adviser, and its principals have with other entities. This disclosure shall include the material conflicts related thereto and explain how the Firm addresses such material conflicts. Prior to including this information in the Brochure, the CCO, or his/her designee, will circulate this narrative to the Senior Management members (CEO, SVP, Operations, SVP Sales and Business Development (or designee)) of the Firm for their review and input.

11.3.14 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading - The CCO, or his/her designee, will review the Firm's Code of Ethics and personal trading compliance program. In addition to disclosing information, the narrative responding to this item will describe how the Firm's personnel may participate in or have interests in client transactions and the conflicts related to such practice and how the Firm addresses such conflicts.

11.3.15 Brokerage Practices - The CCO, or his/her designee, will review the brokerage practices of the Firm, including how it selects broker-dealers, brokerage arrangements and soft dollars. In connection with this review, the CCO, or designee, will consult with advisory personnel who place trades or manage persons who place trades. Based on this review, the CCO or delegate shall draft disclosure describing arrangements.

11.3.16 Review of Accounts - The CCO, or his/her designee, will consult with advisory personnel and other relevant personnel, as appropriate, regarding the process for reviewing client accounts and, based on this information, disclose how often the Firm reviews client accounts. If the Firm reviews accounts other than regularly, it will disclose the triggering factor(s) for such reviews. This disclosure will also set forth the titles of those persons conducting the reviews.

11.3.17 Client Referrals and Other Compensation - The CCO, or his/her designee, will review arrangements in which the Firm or its related persons compensate others for client referrals. In addition, the CCO, or designee, will consider whether the Firm has any arrangements such as sales awards and prizes where the Firm receives economic benefits from any non-clients for providing advisory services to clients. To the extent the Firm enters into such arrangements, it will describe them in its Brochure,

as well as disclose the conflicts of interest inherent in such arrangements and to discuss how the Firm addresses such conflicts.

11.3.18 Custody - The CCO, or his/her designee, will review the Firm's custody arrangements, including how it complies with Rule 206(4)-2 under the Advisers Act (the custody rule) and describe these arrangements in its Brochure. If the Firm has custody over client funds or securities, it will explain how clients receive account statements directly from custodians and that clients should review such account statements carefully.

11.3.19 Investment Discretion - The CCO, or his/her designee, will review all client investment advisory agreements to determine whether the Firm has investment discretion and/or no investment discretion over client accounts and accurately disclose this in response in its Brochure.

11.3.20 Voting Client Securities - The Firm does not vote proxies on behalf of clients. The CCO, or his/her designee, will draft disclosure regarding the Firm's proxy voting policies.

11.3.21 Financial Information - The CCO, or his/her designee, will review client advisory contracts to verify whether they require any clients to prepay advisory fees six months or more in advance. If so, the CCO will make sure that the Firm obtains an audited balance sheet in a timely manner and includes such balance sheets in the Brochure in response to this Item 18.

The CCO, or his/her designee, will also consult with the appropriate principals of the Firm regarding its financial condition. If the CCO, in consultation with the principals, determines that the Firm's financial condition is reasonably likely to impair its ability to meet contractual commitments, it will disclose this fact in response to Item 18. If the Firm has been subject to a bankruptcy petition in the past 10 years, it will disclose this fact in response to Item 18.

11.4 Form ADV Part 2A – Appendix 1

11.4.1 Form ADV Part 2A-Appendix 1 – Form ADV Part 2A-Appendix 1, is the Firm's disclosure brochure for its wrap fee programs. The Firm has three versions of this brochure:

- One which applies to ESI Illuminations accounts opened on or after February 15, 2021
- One for all ESI Directions accounts
- One for all ESI Compass accounts

11.4.2 Content – The Brochures must cover the information required in the General Instructions. The CCO or other Firm employee responsible for the Form ADV shall refer to and meet the requirements of the General Instructions, which are highlighted herein, when preparing and updating the Brochures.

11.4.3 Order of Content - The Brochures will provide the required information in the order and using the item headings prescribed by the General Instructions.

11.4.4 Cover Page - The cover page of the Brochures will contain the Firm's:

- Name
- Address
- Contact information
- Website address
- Date of the wrap fee brochure

The cover page also will include the following standard SEC regulatory disclaimer:

> This wrap fee brochure provides information about the qualifications and business practices of Equity Services, Inc., doing business as ESI Financial Advisors. If you have any questions about the contents of this brochure, please contact us at 1-800-344-7437 or ESICompliance@nationallife.com. The information in this brochure has not been approved or

verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about ESI Financial Advisors also is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's website also provides information about any persons affiliated with ESI Financial Advisors who are registered as investment adviser representatives of ESI Financial Advisors.

If the Firm refers to itself as a "registered investment adviser" or describes itself as being "registered," it will include a statement that registration does not imply a certain level of skill or training:

ESI Financial Advisors is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

11.4.5 Material Changes - If the Firm amends a wrap fee program brochure for its annual update and it contains material changes from the last annual update, the Firm will identify and discuss those changes on the page immediately following the cover page of its wrap fee program Brochure(s) or as a separate document accompanying the Brochure. The update will clearly state that it discusses only material changes since the last annual update of the wrap fee program brochure and will provide the date of the last annual update to the wrap fee program brochure.

The summary will be placed:

a. on the cover page of the Firm Brochure,
b. on the page following the cover page, or
c. as a separate exhibit that accompanies the Firm's Brochure.

11.4.6 Table of Contents - The Brochures will contain a table of contents that lists the 9 required items set forth in the General Instructions. The Table of Contents will list the items in the same order specified in the General Instructions. The Firm may also include sub-headings.

11.4.7 Services, Fees and Compensation – The Brochures will address the following required information:

- Describe the services, including the types of portfolio management services, provided under each program, indicate the wrap fee charged for each program or, if fees vary according to a schedule, provide the Firm's fee schedule. The Firm will indicate whether fees are negotiable and identify the portion of the total fee, or the range of fees, paid to portfolio managers.
- Explain that the program may cost the client more or less than purchasing such services separately and describe the factors that bear upon the relative cost of the program, such as the cost of the services if provided separately and the trading activity in the client's account.
- Describe any fees that the client may pay in addition to the wrap fee, and describe the circumstances under which clients may pay these fees, including, if applicable, mutual fund expenses and mark-ups, mark-downs, or spreads paid to market makers.
- If the person recommending the wrap fee program to the client receives compensation as a result of the client's participation in the program, disclose this fact. Explain, if applicable, that the amount of this compensation may be more than what the person would receive if the client participated in your other programs or paid separately for investment advice, brokerage, and other services. Explain that the person, therefore, may have a financial incentive to recommend the wrap fee program over other programs or services.

11.4.8 Account Requirements and Types of Clients – The Brochures will describe requirements imposed to open or maintain an account, such as a minimum account sizes, as well as the types of clients to whom the Firm generally provides investment advice, such as individuals, trusts, investment companies, or pension plans.

11.4.9 Portfolio Manager Selection and Evaluation – The Brochures will describe the selection and review of portfolio managers, the basis for recommending or selecting portfolio managers for particular *clients*, and the criteria for replacing or recommending the replacement of portfolio managers for the program and for particular *clients*.

Additionally, the Brochures will:

- Describe any standards used to calculate portfolio manager performance;
- Indicate whether the Firm reviews, or whether any third-party reviews, performance information to determine or verify its accuracy or its compliance with presentation standards. If so, the Brochures will briefly describe the nature of the review and the name of any third party conducting the review; or
- If applicable, explain that neither the Firm nor a third-party reviews portfolio manager performance information, and/or that performance information may not be calculated on a uniform and consistent basis.

The Brochures will disclose whether any of the Firm's related persons act as a portfolio manager for a wrap fee program described in the Brochures and explain the conflicts of interest presented by this arrangement and describe how they are addressed by the Firm. Also, the Brochures will disclose whether related person portfolio managers are subject to the same selection and review as other portfolio managers that participate in the wrap fee program(s). If they are not, the Brochures will describe how the Firm selects and reviews related person portfolio managers.

11.4.10 Client Information Provided to Portfolio Managers – The Brochures will describe the information about clients that the Firm communicates to the portfolio managers, and how often or under what circumstances such updated information is provided.

11.4.11 Client Contact with Portfolio Managers – The Brochures will explain any restrictions placed on clients' ability to contact and consult with their portfolio managers.

11.4.12 Additional Information – The Brochures will respond to Item 9 (Disciplinary Information) and Item 10 (Other Financial Industry Activities and Affiliations) of the General Instructions for Part 2A of Form ADV.

Additionally, the Brochures will respond to Items 11 (Code of Ethics, Participation or Interest in Client Transactions and Personal Trading), 13 (Review of Accounts), 14 (Client Referrals and Other Compensation), and 18 (Financial Information) of the General Instructions for Part 2A of Form ADV, as applicable to the Firm's wrap fee clients.

11.5 Disclosure Requirements for IARs (Form ADV Part 2B)

11.5.1 Form ADV Part 2B - Part 2B, also called the "Brochure Supplement," will contain information about the educational background, business experience, and disciplinary history (if any) of the IAR who provides advisory services to the client.

11.5.2 Content - The Brochure Supplement must cover the following 6 required items set forth in Part 2B. The CCO or other Firm employee responsible for the Form ADV shall refer to and meet each of the requirements set forth in Form ADV, Part 2B, which are highlighted herein, when preparing and updating the Brochure Supplement.

11.5.3 Order of Content - The Firm must respond in a pre-determined order and use the headings required by Part 2B.

11.5.4 Cover Page – The cover page will include the following information:

a. The supervised person's name, business address and telephone number.

b. The firm's name, business address and telephone number. If the brochure uses a business name for the firm, use the same business name for the firm in the supplement.

c. The date of the supplement.

Additionally, the cover page will contain the following paragraph or other clear and concise language conveying the same information, and identifying the document as a "brochure supplement:"

This brochure supplement provides information about [name of supervised person] that supplements the ESI Financial Advisors ("EFA") brochure. You should have received a copy of that brochure. Please contact Equity Services, Inc. if you did not receive EFA's brochure or if you have any questions about the contents of this supplement.

Additional information about [name of supervised person] is available on the SEC's website at www.adviserinfo.sec.gov.

11.5.5 Educational Background and Business Experience - The CCO, or his/her designee, will gather the supervised person's name, age (or year of birth), formal education after high school, and business background (including an identification of the specific positions held) for the preceding five years. If the supervised person has no high school education, no formal education after high school, or no business background, disclose this fact. Any professional designations held by the supervised person may be listed, but sufficient explanation of the minimum qualifications required for each designation must be added to allow clients to understand the value of the designation.

11.5.6 Disciplinary Information - The CCO, or his/her designee, will review if there are legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person, disclose all material facts regarding those events.

11.5.7 Other Business Activities - The CCO, or his/her designee, will review if the supervised person is actively engaged in any investment-related business or occupation, including if the supervised person is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

The CCO, or his/her designee, will review if the supervised person is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of the supervised person's income or involve a substantial amount of the supervised person's time, disclose this fact and describe the nature of that business. If the other business activities represent less than 10 percent of the supervised person's time and income, it may be presumed that they are not substantial.

11.5.8 Additional Compensation - The CCO, or his/her designee, will review if someone who is not a client provides an economic benefit to the supervised person for providing advisory services, and generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include the supervised person's regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

11.5.9 Supervision - The CCO, or his/her designee, will explain how the Firm supervises the supervised person, including how we monitor the advice the supervised person provides to clients. Provide the name, title and telephone number of the person responsible for supervising the supervised person's advisory activities on behalf of your firm.

11.6 Disclosure Document Requirements: Form ADV Part 3 (Form CRS)

11.6.1 Policy

The Firm will deliver to each new retail client its current Relationship Summary (Form CRS) before or at the time the Firm enters into an investment advisory contract with such retail client.

11.6.2 Background

The Form CRS is a disclosure document designed by the SEC to clarify the relationship between the Firm and its retail clients. Form CRS must be filed with the SEC and delivered to retail clients.

Form CRS shall consist of the following sections completed in accordance with the Item Instructions of Form CRS and be presented in the order given below:

11.6.3 Introduction and Date (Item 1 of Form CRS)

The date must appear prominently at the beginning of the Form CRS (*e.g.*, in the header or footer of the first page or in a similar location provided electronically) and make the other requirements of Item 1 of Form CRS.

11.6.4 Relationships and Services (Item 2 of Form CRS)

The Firm's investment advisory services offered to retail clients shall be disclosed in the Form CRS including summaries of the principal services, accounts, or investments it makes available to retail clients, and any material limitations on such services. Additionally, this section must include the five "conversational services" listed in Item 2 of Form CRS.

11.6.5 Fees, Costs, Conflicts and Standards of Conduct (Item 3 of Form CRS)

The Firm's ongoing asset-based fees, fixed fees, wrap fee program fees, or other direct fee arrangements, as well as other fees and costs related to its advisory services shall be disclosed in the Form CRS. In addition, the Firm will include all required legends and cross-references to its Form ADV.

11.6.6 Disciplinary History (Item 4 of Form CRS)

The Firm's disciplinary history is disclosed in the Form CRS as well as the required "Conversational Starters."

11.6.7 Additional Information (Item 5 of Form CRS)

The Form CRS will set forth where the retail client can find additional information about its investment advisory services and request a copy of the Form CRS as well as a telephone number where retail investors can request up-to-date information and request a copy of the From CRS. The required "Conversational Starters" must be included.

11.6.8 Updates

The Firm will update the Form CRS and file the update with the SEC within 30 days whenever any information in the document becomes materially inaccurate, and such filing shall highlight the material changes. The Form will provide electronically or otherwise free of charge either a summary of the updated Form CRS to clients within 60 days after the updates or the updated Form CRS.

11.6.9 Filings

The Firm shall file a Form CRS containing its Relationship Summary with the SEC electronically via IARD:

- Initially upon the first time filing date applicable to the Firm as specified in Sections 7.A. and 7.C. of that Form;
- Annually as Part 3 of the Firm's Form ADV update filing; and
- Within 30 days whenever information in the Form CRS becomes materially inaccurate and including an exhibit that highlights the changes.

11.6.10 Delivery and Posting

1. **General Delivery:** The Form CRS will be delivered to each retail investor:
    - Before or at the time the IAR enters into an investment advisory contract with that retail investor.
    - Who is an existing client, before or at the time the IAR: (1) Opens a new account that is different from the retail investor's existing account(s); (2) Recommends that the retail investor roll over assets from a retirement account into a new or existing account or investment; or (3) Recommends or provides a new investment advisory service or investment that does not necessarily involve the opening of a new account and would not be held in an existing account.
2. **Electronic Delivery**: When the Form CRS is delivered electronically, it will be:
    - No longer than the equivalent of four pages in paper format;
    - Presented prominently in the electronic medium; *e.g.*, as a direct link or in the body of an email or message, and
    - Easily accessible for clients, including providing a means for clients to facilitate access to any information referenced in the Form CRS (*e.g.*, hyperlinks to fee schedules).
3. **Paper Delivery:** A paper Form CRS may be no longer than four pages. When the Form CRS is delivered in paper as part of a package of documents, the Form CRS will be the first among any documents that are delivered at that time.
4. **Website:** The Form CRS is prominently displayed on EFA's website. The online Form CRS includes hyperlinks to fee schedules, conflicts disclosures, *etc.*

11.7 Responsibility

The CCO or appropriate designee has the responsibility for maintaining EFA's Disclosure Document on a current and accurate basis, making appropriate amendments and filings. The IAR and his/her designated supervisor are responsible for ensuring initial delivery of the EFA Disclosure Document, the Firm Brochure (Part 2A), Brochure Supplements (Part 2B), and the Form CRS (Part 3, Relationship Summary) to new clients. The Vice President, Investment Adviser Compliance, or his/her designee are responsible for sending the summary of material changes to the Disclosure Document along with an offer to receive the full document, or mailing the full document and maintaining all appropriate files.

Questions regarding this policy or related procedures should be directed to the CCO.

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy:

11.7.1 Initial Delivery

a. A representative of EFA will provide a copy of the Firm's current Disclosure Document to each prospective client before or at the time of entering into an advisory agreement with a client.

b. Electronic Consent – Prior to delivering any Part 2A, Part 2B, or Part 3 (Form CRS) of Form ADV to a client or potential client in electronic form, the client must have provided EFA with a written consent to electronic delivery. EFA is required to maintain records of all client consents to electronic delivery.

c. EFA will maintain a document or acknowledgement evidencing delivery of the initial Disclosure Document to each client.

d. The CCO or appropriate designee will maintain dated copies of all of EFA's complete Disclosure Documents so as to be able to identify which Disclosure Document was in use at any time.

11.7.2 Annual Offer/Delivery - EFA will send a summary of material changes to the ADV 2A (Annual Offer) to all current advisory clients once each year, offering a current copy of the Firm's

Disclosure Document without charge. Annual Offers will inform clients that EFA will deliver its full current disclosure to clients, upon client request.

EFA will maintain an "Annual Offer File" for each calendar year which will include:

a. a sample copy of the Annual Offer,

b. a copy of the Disclosure Document offered to clients for the particular year,

c. a list of the names and addresses of the clients to whom EFA sent an Annual Offer,

d. a list/copies of client requests for EFA's Disclosure Document, and

e. copies of EFA's letters to clients sent with the Disclosure Document, which will be sent within seven days of the receipt of any client request.

11.7.3 Review and Amendment - Periodically, but no less than annually, the CCO or designee will review the Firm's Part 2A of Form ADV, any Disclosure Documents, and all supporting schedules to ensure that the information contained therein is accurate and contains full and fair disclosure consistent with the Firm's current services, business practices, fees, investment professionals, affiliations and conflicts of interest, among other things. The CCO or designee will maintain documentation of this review.

When changes or updates to the Firm's Form ADV or any alternative Disclosure Document are necessary or appropriate, the designated officer will make any and all amendments promptly. The CCO or designee will maintain records of the filings and amendments.

IARs are responsible for notifying the Firm when amendments are needed to their ADV 2B.

11.7.4 Interim Delivery - In the event that a Brochure, Form CRS, or Brochure Supplement becomes materially inaccurate, the Firm shall add or otherwise correct the disclosure and deliver the amended disclosure to each client. The Firm may deliver this information either in:

a. a separate statement describing this updated information;
b. or a reprinted Brochure, Brochure Supplement, and/or Form CRS.

Chapter 12 - Electronic Communications

12.1 Policy

Electronic communications are treated as written communications by employees including part-time employees and independent contractors. It applies during business hours and after-business hours. ***This is an important policy; employees will be required to certify annually that they are familiar with and will comply with the policy.***

This policy covers the use of any corporate supplied devices (desktop, laptop, mobile or hand-held, e.g. iPad, smartphone) or system access privileges. This policy also covers personal devices used to conduct Firm business.

The following summarizes key points of this policy. It is important that the policy be read in its entirety.

- All personnel of ESI are subject to this policy.
- ESI's electronic communications systems are to be used for business purposes.
- Electronic communications should not be considered private.
- Electronic communications are subject to monitoring and audit by ESI.
- Using outside electronic communication channels regarding firm business are prohibited
- Emails are subject to federal law restricting the sending of unsolicited electronic mail when the recipient has chosen to "opt out" of receiving such communications.
- Posting information and participating in chat rooms or instant messaging systems for Firm-related communications are not permitted unless conducted on Firm deployed technology systems which allows for the monitoring and record retention of such instant messaging or text messaging, as required by securities regulations.
- Certain public communications require approval and retention.
- To avoid downloading a computer virus, do not open attached documents from unknown sources.
- Failure to comply with this policy may lead to disciplinary action.

12.2 Background

As with other types of communications, electronic communications are subject to certain provisions of the Federal Securities Laws, including the anti-fraud provisions of the Advisers Act, the protection of confidential client information pursuant to Regulation S-P, and record retention in accordance with Rule 204-2 under the Advisers Act.

The Books and Records rule (Rule 204-2(a)(7)) provides that specific written communications must be kept including those relating to a) investment recommendations or advice given or proposed; b) receipt or delivery of funds or securities; and c) placing and execution of orders for the purchase or sale of securities. All electronic communications are viewed as written communications, and the SEC has publicly indicated its expectation that firms retain all electronic communications for the required record retention periods. If a method of communication lacks a retention method, then it must be prohibited from use by the firm. Further, SEC regulators also will request and expect all electronic communications of supervised persons to be maintained for the same required periods. Emails consisting of spam or viruses are not required to be maintained.

Electronic communications include (but are not limited to) the following:

- Electronic mail (email)
- Third-party email systems
- Internet Telephone
- Facsimile transmissions
- News Groups
- File Transfer Protocol (FTP)
- World Wide Web browsing (WWW)
- Intranet
- Electronic Bulletin Boards

- Social Media
- Internet Relay Chat (IRC) or similar "Chat Rooms"
- Instant Messaging Systems
- Texting/SMS
- Remote Host Access
- Other information transmissions via the Internet

12.3 Responsibility

Each employee has an initial responsibility to be familiar with and follow the Firm's email policy with respect to their individual email communications. The CCO has the overall responsibility for making sure all employees are familiar with the Firm's email policy, implementing and monitoring our email policy, practices and recordkeeping.

Questions regarding this policy or related procedures should be directed to the CCO.

12.4 Procedure

The Firm electronic communications systems should be used for business purposes. Electronic communications with customers and/or the public are permitted only through company-sponsored or alternative approved facilities. The following guidelines apply:

12.4.1 Policy Communicated - The Firm's electronic communications policy is communicated to all affiliated persons upon initial affiliation. Policy changes are promptly communicated to all affected persons. IARs are required to attest annually that they have read and understood this policy.

12.4.2 Maintenance - Emails and any other electronic communications relating to the Firm's advisory services and client relationships will be maintained on the parent company's corporate servers.

12.4.3 Monitoring - Electronic communications of the Firm's IARs located in the field will be monitored by Compliance on an on-going or periodic basis through appropriate software programming or sampling, as the Firm deems appropriate based on the size and nature of the Firm and its business. Compliance will report to the CCO, or his/her designee, any communications that appear to present a compliance issue with an advisory product or service. The CCO or his/her designee will investigate these communications and document his or her findings.

12.4.4 Retrieval - Electronic records will be maintained and arranged for easy access and retrieval so as to provide true and complete copies with appropriate backup and separate storage for the required periods.

12.4.5 Retention - Electronic copies of incoming and outgoing electronic communications will be retained by the Firm for the required period.

12.4.6 Communications Must Confirm to Appropriate Business Standards and the Law – Users of our electronic communications systems are expected to follow appropriate business communication standards. IARs and employees must act with good judgment, integrity, competence, dignity, and in an ethical manner when communicating for business purposes. Electronic communication may not be used to receive or transmit communications that are discriminatory, harassing, offensive, unlawful, or otherwise inappropriate. IARs and employees may not attempt to gain unauthorized access to any computer or database, tamper with any electronic security mechanism, misrepresent a user's identity, disseminate viruses or other destructive programs, or download, install, or execute software without prior approval from the Firm.

12.5 Email - IARs and employees must use the corporate email system provided by National Life/ESI for all business communications (exceptions may be made for the outside business activities of CPAs, Enrolled Agents, attorney-at-law, and others with prior approval of Compliance provided IAR shall allow and facilitate inspection of OBA email as requested by ESI).

12.5.1 Vanity Email

IARs may be permitted to use a personalized or “vanity” email address, e.g., jsmith@abcfinancial.com, provided that permission from Compliance is granted. IARs must configure the email address in accordance with instructions provided by the Firm’s Information Technology area such that all incoming and outgoing email are routed through the Firm’s email server.

The use of web based email such as “Yahoo”, “AOL”, “gmail”, etc. will not be approved and are not permitted for business related communications.

12.5.2 System Maintenance

As part of routine maintenance, email messages that are of a certain age or file-size will be automatically deleted from the system, in accordance with regulatory retention requirements.

12.5.3 Attachments

In order to avoid downloading a computer virus, do not open attachments unless you are familiar with the source.

12.5.4 Restrictions On Unsolicited Emails

There are restrictions on unsolicited emails under the CAN-SPAM Act of 2003.

- Unsolicited “mass” commercial emails are prohibited.
- "Commercial electronic mail" includes any electronic mail message primarily for the purpose of sending a commercial advertisement or promotion of a commercial product or service. It does not include email where there is an existing business relationship between the sender and the recipient.
- Recipients may "opt-out" of receiving future emails. Forward such requests to Compliance for adding to ESI's "Do-Not-Contact" list.
- "Address harvesting" or "dictionary attacks" may not be used to obtain email addresses off the Internet.
- Emails sent from ESI’s systems will include required identification of ESI and disclosures or disclaimers.

12.5.5 Commercial Email

Emails that are "commercial electronic mail" are subject to the CAN-SPAM Act. Commercial electronic mail includes, under federal law, any electronic mail message primarily for the purpose of sending a commercial advertisement or promotion of a commercial product or service. It does not include electronic mail relating to transactions or where there is a relationship between the sender and the recipient. The Act applies to "persons" who include individuals, groups, unincorporated associations, limited or general partnerships, corporations, or other business entities.

EFA’s email will comply with the following federal requirements.

- All emails will include clear identification of EFA, its address and the sender's email address.
- Emails will be sent using EFA’s corporate email server.
- Recipients will be given the opportunity to "opt-out" from receiving future commercial electronic mail. The recipient cannot, as a condition of honoring an opt-out request, be charged a fee, be required to provide information other than the recipient's email address and opt-out preferences, and be required to take any steps other than sending a reply email or visiting a single page on an Internet website. Opt-out requests will be effected within 10 business days of the request, as required by the Act.
- Where EFA emails include other marketers (for example, a mutual fund management company), EFA will be considered the "sender" responsible for compliance with the Act unless specifically agreed in advance that another entity included in the email will act as "sender."
- EFA and its IARs and employees will not use "address harvesting" or "dictionary attacks" to obtain email addresses from the Internet.

12.6 Instant Messaging

Instant messaging provides the ability to conduct instant, online interactive "conversations." IARs and employees must be aware that because instant messaging provides a method of recording and potentially keeping such conversations, they are treated as written communications subject to recordkeeping review and retention requirements. The use of instant messaging subjects those communications to review by EFA, retention in its records, and potential delivery to regulators, legal authorities, or others in civil litigation or arbitrations. Instant messages are not appropriate for "confidential" communications.

Employees and IARs may only use instant messaging to conduct the Firm's business on technology deployed by the Firm which allows for the monitoring and record retention of such instant messaging. This includes anything relating to securities, investment advisory, insurance and all investment-related activities sent to/received from clients, potential clients, vendors, home office employees, branch office administrative staff, or other IARs.

12.7 Text Messaging

SEC Rules require all electronic communications, including text messages, are required to be monitored, reviewed, captured and archived for Firm records. ESI Employees and IARs may only use Firm deployed technology (i.e. CellTrust) for all business-related[8] text messaging. The use of other text messaging services for business purposes continues to be prohibited.

A CellTrust mobile business number ("MBN") or landline **must** be used to send and receive business text messages **only through technology deployed by the Firm**. CellTrust technology should not be used for personal text messages. Personal text messages are to be kept separate from business text messages.

Text messages sent to non-CellTrust users are not encrypted. Therefore,

- Text messages **must not** contain personally identifiable information ("PII") or any other data that requires encryption.
- The purpose of using text messages should never be to obtain a customer's personal or financial information.
- Transmitting sensitive documents, applications or business forms is prohibited.
- 'Internal Use Only' and corporate documents that are sent via email, should not be sent via text message.

Text messaging prohibitions:

- Business solicitations
- Sending advertising or marketing material
- Use of automation services to send bulk messages
- Sending pictures or videos
- Sending or receiving Personally Identifiable Information (PII)
- Sending profanity or any other inappropriate language or images
- Cold texting. Similar to cold calling, RRs and employees must adhere to the Telephone Consumer Protection Act.

IARs may only use text messaging to conduct the Firm's business on CellTrust technology deployed by the Firm which allows for the monitoring and record retention of such text messages as required by securities regulations. This includes anything relating to securities, investment advisory, insurance and all investment-related activities sent to/received from clients, potential clients, vendors, home office employees, branch office administrative staff, or other IARs.

Home office IARs or affiliated employees are only allowed to text using CellTrust on their personal phones. Company issued cellphones will be set up using a "Direct to Carrier" option.

[8] Includes anything relating to securities, investment advisory, insurance, and all investment-related activities sent to/from clients, potential clients, vendors, home office employees, branch office administrative staff, or other IARs.

12.8 Guidelines For Proper Use

The Firm's electronic communications systems should be used for business purposes. Electronic communications with customers and/or the public are permitted only through Firm provided or Firm-approved systems, devices, and channels. The following guidelines apply:

12.8.1 Electronic Communications Are Not Private

IARs and employees should not confuse phone conversations or face-to-face conversations with communications through electronic means. Newspaper articles, regulatory actions, and legal actions abound with the consequences of IARs or employees who do not take what they say in electronic communications seriously. The repercussions of casual or poorly worded communications have potential adverse consequences for both EFA and the IAR or employee. While electronic communications often seem like one-on-one conversations, and many people converse in electronic communications in a casual and non-business manner, it is important to understand that the use of EFA's electronic communications systems or approved alternative systems are communications that may be seen by others either through EFA"s review system or outsiders who access this information through official and authorized means or sometimes through unauthorized means.

Electronic communications and residual or temporary files resulting from participation in electronic communications can be widely disseminated. It is possible that such communications be saved to disk, printed, forwarded to another party, subpoenaed in litigation, viewed by system administrators or regulatory agents, and/or intercepted by anyone at a variety of points. Electronic communications are not appropriate for communications that must remain confidential or private. There should be no expectations of privacy in electronic communications.

12.8.2 Communications Must Conform To Appropriate Business Standards And The Law

Users of our electronic communications systems are expected to follow appropriate business communication standards. Sending or receiving communications that are inappropriate, profane, obscene, discriminatory, threatening or otherwise offensive is prohibited. Sending or receiving jokes, puzzles, games, chain messages, pictures, video/sound files and frequent or long personal correspondence are some examples of inappropriate use. Use must comply with applicable local, state, federal and international laws.

12.8.3 Electronic Communications Are Business Communications And Should Be Treated As Such

- Electronic communications sent should contain the most recent, valid information available.
- Personnel are required to report threatening, harassing or otherwise inappropriate communications to their supervisor or Compliance.
- Communications received with inappropriate content must not be forwarded and should be deleted after being reported to the Advertising Guidance Team ("AGT") or Compliance, unless instructed otherwise by Compliance.
- Unauthorized dissemination of proprietary information is prohibited.
- Unauthorized copying or transmitting software or other materials protected by copyright is prohibited. Personnel must obtain Compliance approval before distributing copyrighted material.
- References and/or links to Websites may be a form of sales literature or advertising and therefore require approval by the AGT prior to use.
- Newly developed, non-company-sponsored electronic communication technologies are inappropriate for Firm communications without prior company approval.
- Because of the nature of electronic communications systems in general, there is no guarantee that a message will reach its destination in a timely manner or that it will reach its destination at all.

12.8.4 Encryption

- EFA may require encryption of certain confidential communications.
- Users are responsible for controlling access to their own computer and encrypted messages.
- IARs and employees may not encrypt messages unless authorized or directed by ESI and/or utilize firm-administered encryption software.
- IARs and employees must use encryption when required by EFA.
- Passwords should be safeguarded.

12.8.5 Special Requirements/Restrictions

- Securities licensing requirements necessary for public communications apply to electronic communications.
- Recommendations or communications that require an accompanying prospectus may not be sent by email, unless EFA has provided the required document for inclusion with the communication.
- If a message is received from a party requesting that they not be contacted, the Advertising Unit (AGT) should be notified to add that person to the Do Not Contact List.
- Email to customers or prospective customers regarding EFA's products, services, or other Firm-related business communications may NOT be sent from a home computer (unless connected through the Firm's corporate sponsored email system) and/or using non-company sponsored electronic communications systems/software/applications.

12.8.6 Record Retention Requirements

EFA is required to retain records of certain business communications. The Firm retains electronic communications in accordance with applicable rules.

12.8.7 Monitoring, Audit And Control

Electronic communications through the Firm's systems are the property of EFA. EFA reserves the right to monitor and audit electronic communications at any time for appropriate business usage, standards and compliance with this policy and applicable procedures.

12.8.8 Outside Communications Regarding Firm Business Are Prohibited

Communications relating to the Firm's business MUST be communicated through Firm-provided or Firm-approved systems, devices, and/or channels. Important federal and SRO regulations require the retention of copies of ALL business communications, and failure to comply has resulted in multi-million dollar fines against firms and individuals. The Firm has established procedures for retaining records of communications through its systems, devices, and channels. Questions regarding allowable communications should be referred to Compliance.

12.9 Review of Electronic Communications

The Firm’s electronic communications systems should be used for business purposes. Electronic communications with customers and/or the public are permitted only through Firm provided or Firm-approved systems, devices, and channels. The following guidelines apply:

All electronic communications are subject to review. Types of review include:

- Lexicon-based program that identifies words or phrases in communications selected for review
- Targeted review of electronic communications for a specified period of time

Compliance is responsible for reviewing electronic communications. Though Compliance reviews electronic communications, the supervisor is ultimately responsible for compliance for IARs under their supervision. Compliance may escalate the following communications to the supervisor, including but not limited to:

- Questionable language
- Objectionable language or content (profanity, *etc.*)
- Complaints
- Advertising not previously approved to Compliance

- Communications regarding errors or account designation changes in orders to the designated supervisor
- Violations of Firm policy or regulatory rules

Electronic communications will be monitored by EFA Compliance as follows:

- Inappropriate electronic communications referred by Compliance, discovered during internal audits, or through other internal procedures will be reviewed and disciplinary action recommended by Compliance, if appropriate. Any disciplinary action taken by the supervisor will be recorded in the employee's file.
- Compliance will review "filtered" electronic communications identified by software used by EFA for that purpose.
- Outgoing business correspondence that appears questionable will be referred to the supervisor for follow up with the sender.
- Customer complaints will be handled in accordance with the Firm's complaint procedures.
- Action regarding inappropriate communications may include referring the matter to the supervisor; direct contact with the employee who sent or received the communication; and/or disciplinary action, as appropriate.
- FOSJ/branch office procedures will be audited as part of the Firm's periodic FOSJ and Branch Office reviews.
- Compliance may, at its discretion, conduct an electronic audit of an employee's computer to determine the types of computer files retained.

When a message is discovered that violates the Firm's policy, Compliance will take the following action:

- Review the IAR or employee's file to determine if there have been other violations and whether the employee has responded appropriately.
- Send notification to the IAR or employee, with a copy to the supervisor, of the violation with supporting information. Any prior violations may also be noted.
- At Compliance's discretion, send a copy to the supervisor's supervisor if a repeat problem and it does not appear an appropriate response was received for prior violation(s).
- Recommend disciplinary action, if any.
- Retain a record of notification to the IAR or employee and any action taken in the IAR's file (if registered) or personnel file (if not registered).
- Where there is a history of violations, Compliance may conduct an electronic audit of the individual's computer files to determine content of information being retained.

12.10 Policy Violations

Failure to comply with this policy may lead to disciplinary action. Non-compliance may generate one or more of the following:

- Oral and/or written warning or notification of violation communicated to the Firm's personnel involved and their supervisor.
- Suspension of electronic communications privileges permanently or for a set period of time.
- Messages may be blocked or rejected if the message contains inappropriate content.
- Written warning to the IAR or employee's file
- Fines assessed by the firm
- Suspension from work
- Education course related to the infraction, and paid for by the IAR
- Regulatory discipline or censure
- Possible termination of employment

12.11 Electronic Delivery of Required Disclosures

As outlined in Chapter 11, Disclosure Document, the Firm has a regulatory requirement to send disclosure documents to clients. In the Use of Electronic Media by Broker-Dealers, Transfer Agents, and Investment Advisers for Delivery of Information; Additional Examples Under the Securities Act of 1933, Securities Exchange Act of 1934, and Investment Company Act of 1940, Investment Advisers Act Release No. 1562 (May 9, 1996), the SEC published its views regarding investment advisers' use of electronic media to

provide disclosures, and obtain consents, required by the Advisers Act. While investment advisers are generally permitted to provide disclosure and obtain consent electronically, the SEC has indicated that advisers should consider the following factors when communicating electronically with clients and prospects:

- Notice: If disclosures are posted on a website or made available through some other passive delivery system, the adviser should send the intended recipient an email or some other notice indicating that the disclosures are available.
- Access: Recipients of electronic information should be able to easily view, save, and print the information.
- Evidence of Delivery: An adviser should have reasonable assurance that the electronic communication was received by the intended recipient. An adviser may obtain an email return receipt for each message, or it may obtain the recipient's informed prospective consent to receive information through a specified electronic medium.

EFA will generally provide required disclosure documents electronically only if the recipient specifies an email address where such documents may be delivered and gives written consent to receive disclosures electronically. However, EFA may provide required disclosures electronically on a case-by-case basis if the recipient provides an email address and confirms his or her receipt of each disclosure in a return email.

Chapter 13 - Insider Trading

13.1 Policy

EFA's policy prohibits any employee from acting upon, misusing or disclosing any material nonpublic information, known as inside information. Any instances or questions regarding possible inside information must be immediately brought to the attention of the designated officer, Legal/Compliance Officer or senior management, and any violations of the Firm's policy will result in disciplinary action and/or termination. EFA has adopted the EFA Policy and Procedure Designed to Detect and Prevent Insider Trading, contained in the EFA Compliance and Supervisory Guidelines (the "Insider Trading Policy") to implement this policy.

13.2 Background

Section 204A of the Advisers Act requires every investment adviser to establish, maintain, and enforce written policies and procedures reasonably designed, taking into consideration the nature of such investment adviser's business, to prevent the misuse of Material Non-Public Information by such investment adviser or any associated person. Federal Securities Laws have been interpreted to prohibit the following activities:

- Trading by an insider while in possession of Material Non-Public Information;
- Trading by a non-insider while in possession of Material Non-Public Information, where the information was disclosed to the non-insider in violation of an insider's duty to keep it confidential;
- Trading by a non-insider who obtained Material Non-Public Information through unlawful means such as computer hacking;
- Communicating Material Non-Public Information to others in breach of a fiduciary duty; and
- Trading or tipping Material Non-Public Information regarding an unannounced tender offer.

EFA and its employees may have access to confidential information about its clients, investment advice provided to clients, securities transactions being effected for client accounts and other sensitive information. In addition, from time to time, EFA or its employees may come into possession of information that is "material" and "nonpublic" (as defined in the Insider Trading Policy) concerning a company or the trading market for its securities.

Section 204A of the Advisers Act requires that EFA establish, maintain and enforce written policies and procedures reasonably designed to prevent EFA and its employees from misusing material, nonpublic information. Employee violations of the laws against insider trading and tipping can expose EFA and any employee involved to severe criminal and civil liability. In addition, EFA and its employees have ethical and legal responsibilities to maintain the confidences of EFA's clients, and to protect as valuable assets confidential and proprietary information we have developed or that have been entrusted to us.

Although EFA respects the right of its employees to engage in personal investment activities, it is important that we avoid any appearance of impropriety and remain in full compliance with the law and the highest standards of ethics. Accordingly, EFA employees must exercise good judgment when engaging in securities transactions and when relating information obtained as a result of employment with EFA.

It is unlawful for EFA or any of its employees to use this information for manipulative, deceptive or fraudulent purposes. The kinds of activities prohibited include "front-running," "scalping" and trading on inside information. "Front-running" refers to a practice whereby a person takes a position in a security in order to profit based on his or her advance knowledge of upcoming trading by clients in that security which is expected to affect the market price. "Scalping" refers the practice of taking a position in a security before recommending it to clients or effecting transactions on behalf of clients, and then selling out the employee's personal position after the price of the security has risen on the basis of the recommendation or client transactions.

Employees are prohibited from disclosing material, nonpublic and other confidential information to any person inside EFA, except to the extent that the person has a bona fide "need to know" in order to carry out

EFA's business, including management and supervisory functions and the administration of EFA's compliance policies and procedures.

Even after trading in a security has been restricted, the dissemination of material, nonpublic, or confidential information concerning or relating to the security should continue to be on a need-to-know basis only.

Without limiting this general prohibition, employees involved in transactional or other activities for any department (or entity) that results in the receipt or generation of material, nonpublic or confidential information ("Transactional Employees") must be particularly careful that they do not transmit this information to employees involved with trading activities and other non-transactional employees ("Non-Transactional Employees"). Transactional Employees (or other employees possessing inside information) may not give, and Non-Transactional Employees may not ask for, this information. As a general matter, Transactional Employees should not discuss specific issuers of securities or transactions that are or might become the subject of a firm assignment with Non-Transactional Employees.

13.3 Definitions

13.3.1 Material Information – Information is considered to be "material information" if there is a substantial likelihood that a reasonable investor would consider it important when making an investment decision, or if the information is reasonably likely to affect the price of a company's securities. Material information can be positive or negative and may relate to uncertain events.

Many types of information may be considered material, including, without limitation, advance knowledge of:

- Dividend or earnings announcements;
- Asset write-downs or write-offs;
- Additions to reserves for bad debts or contingent liabilities;
- Expansion or curtailment of company or major division operations;
- Merger, joint venture announcements;
- New product/service announcements;
- Discovery or research developments;
- Criminal, civil and government investigations and indictments;
- Pending labor disputes;
- Debt service or liquidity problems;
- Bankruptcy or insolvency problems;
- Tender offers and stock repurchase plans; and
- Recapitalization plans.

Information provided by a company could be material because of its expected effect on a particular class of Securities, all of a company's Securities, the Securities of another company, or the Securities of several companies. The prohibition against misusing Material Non-Public Information applies to all types of financial instruments including, but not limited to, stocks, bonds, warrants, options, futures, forwards, swaps, commercial paper, and government-issued Securities. Material information need not relate to a company's business. For example, information about the contents of an upcoming newspaper column may affect the price of a Security, and therefore be considered material.

Employees should consult with Compliance if there is any question as to whether non-public information is material.

13.3.2 Non Public Information – Once information has been effectively distributed to the investing public, it is no longer non-public. However, the distribution of Material Non-Public Information must occur through commonly recognized channels for the classification to change.

Employees must be aware that even where there is no expectation of confidentiality, a person may become an insider upon receiving Material Non-Public Information. Employees should consult with the CCO if there is any question as to whether material information is non-public.

13.4 Penalties for Trading on Material Non-Public Information

Severe penalties exist for firms and individuals that engage in Insider Trading, including civil injunctions, disgorgement of profits and jail sentences. Further, fines for Insider Trading may be levied against individuals and companies in amounts up to three times the profit gained or loss avoided (and up to $1,000,000 for companies).

13.5 Responsibility

The CCO, or designee is responsible for implementing and monitoring the Firm's Insider Trading Policy, practices, disclosures and recordkeeping.

Questions regarding this policy or related procedures should be directed to the CCO.

13.6 Procedure

EFA has adopted the Insider Trading Policy to implement the Firm's policy and to monitor compliance with the Firm's policy. The following is an overview of those procedures:

13.6.1 Location of Insider Trading Policy - The complete Insider Trading Policy can be viewed as Exhibit C in the appendix to this manual.

13.6.2 Acknowledgment - The Insider Trading Policy is distributed to all employees, and requires an acknowledgement by each employee, in such form as is designated by the Firm, that he or she has read and understands the policy;

13.6.3 Quarterly Transaction Reports - Investment advisory representatives must disclose personal securities accounts and report at least quarterly (or direct their brokerage Firm to provide transactional data to EFA for all such transactions) any reportable transactions in their employee and employee-related personal accounts;

13.6.4 Annual Holdings Reports – Investment advisory representatives must disclose holdings in personal securities accounts on an annual basis. Holdings which are excluded from reporting are those in mutual funds, unit investment trusts (UITs), and variable insurance products.

13.6.5 Access to Material Non-Public Information - Employees must report to a designated person or Compliance Officer all business, financial or personal relationships that may result in access to material, non-public information;

13.6.6 Review of IAR Accounts - The Surveillance Team, or designee, reviews all personal investment activity for field employees and employee-related accounts;

13.6.7 Review of Home Office Employee Accounts - The CCO, or appropriate designee reviews all personal investment activity for home office employees and employee-related accounts;

13.6.8 Questions - If an employee has a question regarding the Insider Trading Policy or a situation that may involve an insider trading issue, he or she should direct that question to the CCO;

13.6.9 Periodic Review - The Insider Trading Policy is reviewed and evaluated by the CCO on a periodic basis and updated as may be appropriate;

13.6.10 Report of Possible Violations - A designated officer or Compliance Officer prepares a written report to management and/or legal counsel regarding any possible violation of the Firm's Insider Trading Policy; and

13.6.11 Disciplinary Action - The CCO in conjunction with management will determine the appropriate course of action in response to a violation of the policy, and will implement corrective and/or disciplinary action.

Chapter 14 - Investment Processes

14.1 Policy

As a registered adviser, EFA is required, and as a matter of policy, obtains background information as to each client's financial circumstances, investment objectives, investment restrictions and risk tolerance, among many other things, and provides its advisory services consistent with the client's objectives, etc. based on the information provided by each client.

All investment professionals are required to render disinterested and impartial advice; to make suitable recommendations to clients in light of their needs; to exercise a degree of care to ensure that adequate and accurate representations and other information about securities are presented to clients; and to have an adequate basis in fact for its recommendations, representations and projections.

Additional responsibilities may pertain to certain types of accounts such as pension and public retirement plans and investment funds. Investment professionals are expected to understand and fulfill these responsibilities or seek assistance from Compliance if unsure of the requirements.

EFA prohibits the dissemination of investment recommendations and decisions to third parties prior to trade execution. (See Insider Trading).

EFA may consult with its affiliates about their general investment policy, but not as to the administration or management of any of EFA's specific client account (unless provided for in a separate investment management agreement).

14.2 Background

As part of an adviser's fiduciary duty to its clients, the Firm has a duty to act in its clients' best interests. EFA has an undivided duty of loyalty to its clients, and an obligation to act in the utmost good faith. Advisers must act with prudence and exercise due care throughout the portfolio management process. Advisers also have a duty to periodically review accounts under management to ensure that such accounts are invested consistently with clients' mandates and the advisers' disclosures.

The U.S. Supreme Court has held that Section 206 (Prohibited Activities) of the Investment Adviser Act imposes a fiduciary duty on investment advisers by operation of law (SEC v. Capital Gains Research Bureau, Inc., 1963).

Also, the SEC has indicated that an adviser has a duty, among other things, to ensure that its investment advice is suitable to the client's objectives, needs and circumstances, (SEC No-Action Letter, In re John G. Kinnard and Co., publicly available 11/30/1973).

Every fiduciary has the duty and a responsibility to act in the utmost good faith and in the best interests of the client and to always place the client's interests first and foremost. As part of this duty, a fiduciary and an adviser with such duties, must eliminate conflicts of interest, whether actual or potential, or make full and fair disclosure of all material facts of any conflicts so a client, or prospective client, may make an informed decision in each particular circumstance.

14.3 Responsibility

Envestnet provides a website for IARs to access information on its co-advised programs offered on the ESI Illuminations platform, such as balances, transactions, and the allocations in which clients' accounts are invested. The website provides reporting for monitoring the consistency of accounts with the stated account objectives. IARs should use this website to monitor their clients' accounts to ensure they remain aligned with their stated investment objectives. IARs must work with their clients and/or the discretionary manager to determine the necessary instructions or justification to rectify or maintain any accounts that display a noted deviation from the stated account objective.

The Firm's IARs have primary responsibility for each particular client relationship, including determining and knowing each client's financial circumstance, investment objectives and risk tolerance and making recommendations based on those factors.

With respect to all programs listed below, the Firm periodically reviews a sample of client files for evidence of documentation of annual client contact. Evidence of review and/or follow-up is added to the client's Docupace file on Envestnet.

Questions regarding this policy or related procedures should be directed to Compliance.

14.4 General Processes

EFA obtains background information about each client's financial circumstances, investment objectives, and risk tolerance, among other things, through an in-depth interview and information gathering process which includes a client profile form.

EFA, through third party custodians, may provide periodic reports to advisory clients which include important information about a client's financial situation, portfolio holdings, values and transactions, among other things. The Firm may also provide performance information to advisory clients about the client's performance, which may also include a reference to a relevant market index or benchmark.

Suitability Review Principals conduct initial review and approval of account opening, including the review of the Investment Strategy Report, the client's financial information to determine suitability and consistency with investment objectives and risk tolerance.

14.5 Annual Review Process

Rule 3a-4, promulgated under the Investment Company Act of 1940, states that "[a]ny program under which discretionary investment advisory services are provided to clients that has the following characteristics will not be deemed to be an investment company within the meaning of the Act:…(2)(ii) At least annually, the sponsor or another person designated by the sponsor contacts the client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions."

IARs are required to meet with their advisory clients at least annually. This applies to all advisory clients in a managed account program, whether ESI acts as an adviser or a solicitor to the account. While "annually" is not defined by the rule, the SEC's interpretation is that advisors meet with clients on a rolling 12-month basis from the last documented review (within the last 365 days).

14.5.1 Content of Account Reviews

When annual meetings occur, IARs will ensure that the existing models and/or investment strategy remain aligned with the client's investment objectives. This applies to all advisory clients, whether EFA acts as an adviser or a solicitor to the account.

When documenting their reviews, advisors will attest that they have addressed the following with the client(s):

- Determined whether there have been any changes to the client's financial situation or investment objectives, and
- Whether the client wishes to place any reasonable restrictions on their account(s) or modify any existing restrictions.

14.5.2 Documentation of Annual Reviews

Evidence of annual reviews must be maintained in Envestnet or Docupace by completing an attestation that the IAR has met with their clients.

14.5.3 Unresponsive Clients

If a client is unresponsive to the IAR's attempts to review their account(s) with them, the IAR may send the *Annual Review Client Letter* and *Annual Client Contact Questionnaire* to the client which, together, constitute contact.

- For Envestnet, the attempt to conduct a review will be documented in Envestnet via the Annual Review certification.
- For Docupace, a copy of the cover letter, questionnaire, and evidence of delivery (either via postal service or electronically) will be imaged to the client's Docupace folder.

14.5.4 Monitoring Annual Reviews

Branch Office Supervisors, or their appointed designee, are responsible for ensuring IARs meet their annual review obligations and for monitoring the status of annual reviews. Failure to complete annual reviews by IAR may result in disciplinary action.

14.6 Branch Office Supervisor/Supervisory Designee Processes

Branch Office Supervisors ("BOS") have the responsibility for supervising the IARs who report to their office. The BOS or supervisory designee should provide proper training and guidance for the IARs with respect to the advisory programs offered by EFA. EFA provides training materials for BOS' use with IARs. ESI oversees the implementation and monitoring of its investment processes policy, practices, disclosures and recordkeeping.

The BOS or supervisory designee should have access to the Envestnet website and have data for all the EFA Illuminations accounts of the IARs supervised from his/her branch office.

If the BOS is notified by EFA that an IAR in his/her branch is not or has not followed the client's investment mandates or instructions, it is the BOS's responsibility to take appropriate corrective measures, which in some cases may involve removing the particular IAR from the account and having the client work with another IAR in the branch.

14.7 Procedure for Illuminations Strategist Accounts

These procedures apply to third-party Strategist programs (except Navigator Select) offered by the Firm through the Envestnet Portfolio Solutions, Inc. ("Envestnet") platform.

EFA has adopted procedures to implement the Firm's policy and reviews to monitor and ensure the Firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

14.7.1 Home Office Processes

The sponsoring third-party Strategist is the discretionary manager on third-party Strategist accounts. In each case, the discretionary manager is responsible for monitoring and rebalancing of client accounts to ensure such accounts remain invested according to the client's stated investment objectives.

Third-party Strategist clients have a Statement of Investment Selection which the Firm reviews, approves, subject to any written revisions or updates received from a client.

14.7.2 IAR Processes

EFA's IARs must provide Form ADV Parts 2A-Appendix 1, 2B, and Form CRS (a.k.a ADV Part 3), which disclose the Firm's advisory services, fees, conflicts of interest and portfolio/supervisory reviews, in accordance with the requirements of SEC Rules 204-3 (ADV Part 2) and 204-5 (ADV Part 3) and investment reports provided by the Firm to clients, along with background information on the IAR. The IAR works with the client to determine the appropriate Strategist and Model to be invested in.

14.8 Procedure for Illuminations Flagship Select Accounts

The following is a procedure for reviewing Flagship Select accounts for variance from the client's selected investment objective.

14.8.1 Home Office Processes

EFA uses a proprietary system provided by Envestnet to monitor client accounts. To assist IARs in monitoring accounts, the *Investment Policy Exceptions Report* is available on Envestnet. Below are the investment policies in place for Flagship Select accounts.

- **Risk Variance** – Envestnet defines seven investment objectives, each represented by a numeric risk assessment range ("risk range"). Clients score into a target risk range based on their investment objectives and risk tolerance, and the risk rating of their accounts should fall within the identified target risk range. The Firm will permit accounts to have a risk rating that falls within the next highest or lowest risk range from the client's target risk rating.
- **Concentration** – Accounts may not be invested 40% or more in a single position (including a single mutual fund). Underlying positions in mutual funds and ETFs do not count as additional positions toward diversification.
- **Position Count** – Investment models must have at least four (4) positions (cash and/or money markets are not included as positions; mutual funds are considered to represent one position). Individual accounts must have at least four (4) positions.
- **Low Activity** – Accounts must experience at least one trade (buy or sell) within the previous 12 calendar months.
- **Sustained Cash** – Accounts may not retain more than 17% in cash for more than three (3) consecutive months.

Accounts that violate any of the above policies will be reflected on the *Investment Policy Exceptions Report* ("Variance Report"), Such accounts are considered to be in "variance" from the Firm's investment policies. IARs are responsible for monitoring their clients' accounts for compliance with the Firm's investment policies.

For accounts identified as being in violation of one or more investment policies, the IAR will have 90 days in which to take corrective action and address the identified policy violation. After this period, the Surveillance Team or other home office staff employee will contact the IAR regarding accounts on the Variance Report. EFA may permit variances from the Investment Model to continue longer than 90 days, provided that a satisfactory reason for the variance (as determined by EFA, in its sole discretion) is obtained, and provided that the client consents to the variance. In such instances, the foregoing will be documented by EFA.

First Variance Notice - If an account remains in variance for 90 days or more, it will be listed on the next monthly Variance Report generated and monitored by EFA's surveillance area. A First Variance Notice will go out to the IAR. An account's appearance on the Variance Report will result in the Firm requesting either a response from the IAR addressing what action will be taken to bring the account into alignment with the client's chosen model allocations, or the client providing instructions to change the selected portfolio model. Portfolio model changes may be documented with either a new Statement of Investment Selection or with other written confirmation, from the client, indicating their understanding of a different level of risk from their original model selection.

Second Variance Notice – If the IAR is not able to provide an acceptable rationale for not addressing the variance, and the variance is not otherwise addressed for 120 or more days, a Second Variance Notice will be sent to the IAR and the client. EFA may waive its portion of the management fee, including the portion that would otherwise be paid to the IAR.

Final Variance Notice – If the variance remains unaddressed for an additional 30 days from the date of the Second Variance Notice, EFA may provide a 30-day termination notice to the client and initiate the process of converting the account to a non-managed standard brokerage account, unless there are reasonable grounds to delay or not send such a letter, and such reasonable grounds are documented. The account variance may still be rectified during this process, which would allow the account to remain in the Flagship Select program.

Discretion – If the variance is not addressed within 30 days from the date of the Second Variance Letter, EFA may exercise discretion, in accordance with the Firm's Form ADV 2A, to address the variance and ensure the account is aligned with the client's last instruction on file with the Firm.

14.8.2 IAR Processes

EFA's IARs must provide Form ADV Parts 2A-Appendix 1, Form ADV Part 2B, and Form CRS (a.k.a ADV Part 3), which disclose the Firm's advisory services, fees, conflicts of interest and portfolio/supervisory reviews, in accordance with the requirements of SEC Rules 204-3 (ADV Part 2) and 204-5 (ADV Part 3).

Envestnet provides a website for IARs to access daily information on their Flagship Select accounts, such as balances, transactions, and the allocation in which clients' accounts are invested. The website makes available various reports for IARs to monitor variance from the Firm's investment policies. IARs must use this website to monitor client accounts. The system assigns a "risk rating" score to each investment model, and then analyzes the holdings in a client's account and assigns a risk score to the account. The Envestnet system identifies accounts where the risk rating of the portfolio is materially different from the risk score of the chosen investment model. Identified accounts which are not addressed by the IAR and client within 90 days of the alert will appear on the Firm's surveillance reports.

When the IAR observes that an account is in variance from the client's target risk rating, as reported to them by Envestnet, or is concerned that a variance may result because an account's risk score has changed, the IAR may exercise discretion in executing trades to address the variance, within the parameters defined in the Firm's Form ADV Part 2A-Appendix 1 (ESI Illuminations). The IAR may exercise discretion in the purchase and/or selling of positions among the existing holdings of the account and will not introduce new holdings without first obtaining the client's consent.

If the client is unwilling to have their assets reallocated to be consistent with their chosen model, and changing their asset allocation model is inappropriate, the IAR should discuss moving the client's assets to a different program, or to a brokerage account, document the discussion with the client, and provide this documentation to the BOS, who with the IAR will decide if the program remains suitable for the client. If it is determined that EFA will allow the client to remain in the program despite having assets inconsistent with the chosen model, the client will be notified of the decision.

Note: The IAR and client should take corrective action before the account's appearance on the Variance Report whenever possible.

14.9 Procedure for ESI Directions Accounts

EFA engages in ongoing monitoring of the ESI Directions program and the IARs assigned as portfolio managers. IARs are responsible for monitoring and managing their clients' individual Directions accounts. EFA reviews program account activity for variance. IARs will review each client's portfolio periodically to ensure that investments remain consistent with the asset allocation mix the client selected.

14.9.1 Home Office Processes

EFA uses a proprietary system provided by Envestnet to monitor client accounts. To assist IARs in monitoring accounts, the *Investment Policy Exceptions Report* is available on Envestnet. Below are the investment policies in place for ESI Directions accounts.

- **Risk Variance** – Envestnet defines seven investment objectives, each represented by a numeric risk assessment range ("risk range"). Clients score into a target risk range based on their investment objectives and risk tolerance, and the risk rating of their accounts should fall within the identified target risk range. The following scenarios will generate an investment policy violation:
    - Risk score falls one or more risk ranges above the target risk range.
    - Risk score falls two or more risk ranges below the target risk range.
    - Risk score falls one risk range below the target risk range for more than 180 calendar days.
- **Concentration** – Accounts may not be invested 40% or more in a single position (including a single mutual fund). Underlying positions in mutual funds and ETFs do not count as additional positions toward diversification.
- **Position Count** – An account may not have less than 4 positions (cash and/or money markets are not included as positions). To create a model, an account must have at least 4 positions. If there are less than 4 positions in the account, the account will violate the policy.

- **Low Activity** – If an account shows less than one trade in the last 12 calendar months, the account will violate the policy.
- **Sustained Cash** – Accounts may not retain an excessive cash position for extended periods of time. If an account has 17% or more in cash, the account will violate the policy.

Accounts that violate any of the above policies will be reflected on the *Investment Policy Exceptions Report* ("Variance Report"), Such accounts are considered to be in "variance" from the Firm's investment policies. IARs are responsible for monitoring their clients' accounts for compliance with the Firm's investment policies.

For accounts identified as being in violation of one or more investment policies, the IAR will have 90 days in which to take corrective action and address the identified policy violation. After this period, the Surveillance Team or other home office staff employee will contact the IAR regarding accounts on the Variance Report. EFA may permit variances from the Investment Model to continue longer than 90 days, provided that a satisfactory reason for the variance (as determined by EFA, in its sole discretion) is obtained, and provided that the client consents to the variance. In such instances, the foregoing will be documented by EFA.

First Variance Notice - If an account remains in variance for 90 days or more, it will be listed on the next monthly Variance Report generated and monitored by EFA's surveillance area. A First Variance Notice will go out to the IAR. An account's appearance on the Variance Report will result in the Firm requesting either a response from the IAR addressing what action will be taken to bring the account into alignment with the client's chosen model allocations, or the client providing instructions to change the selected portfolio model. Portfolio model changes may be documented with either a new Statement of Investment Selection or with other written confirmation, from the client, indicating their understanding of a different level of risk from their original model selection.

Second Variance Notice – If the IAR is not able to provide an acceptable rationale for not addressing the variance, and the variance is not otherwise addressed for 120 or more days, a Second Variance Notice will be sent to the IAR and the client. EFA may waive its portion of the management fee, including the portion that would otherwise be paid to the IAR.

Final Variance Notice – If the variance remains unaddressed for an additional 30 days from the date of the Second Variance Notice, EFA may provide a 30-day termination notice to the client and initiate the process of converting the account to a non-managed standard brokerage account, unless there are reasonable grounds to delay or not send such a letter, and such reasonable grounds are documented. The account variance may still be rectified during this process, which would allow the account to remain in the ESI Directions program.

Discretion – If the variance is not addressed within 30 days from the date of the Second Variance Letter, EFA may exercise discretion, in accordance with the Firm's Form ADV 2A, to address the variance and ensure the account is aligned with the client's last instruction on file with the Firm.

14.9.2 IAR Processes

EFA's IARs must provide Form ADV Parts 2A-Appendix 1, Form ADV Part 2B, and Form CRS (a.k.a ADV Part 3), which disclose the Firm's advisory services, fees, conflicts of interest and portfolio/supervisory reviews, in accordance with the requirements of SEC Rules 204-3 (ADV Part 2) and 204-5 (ADV Part 3).

Envestnet provides a website for IARs to access daily information on Directions client accounts, such as balances, transactions, and the allocation in which clients' accounts are invested. The website makes available a report for IARs to monitor drift from the target allocation for each security in the model. IARs must use this website to monitor client accounts. The system assigns a "risk rating" score to each investment model, and then analyzes the holdings in a client's account and assigns a risk score to the account. The Envestnet system identifies accounts where the risk rating of the portfolio is materially different from the risk score of the chosen investment model. Identified accounts which are

not addressed by the IAR and client within 90 days of the alert will appear on the Firm's surveillance reports.

When the IAR observes that an account is in variance from the client's target risk rating, as reported to them by Envestnet, or is concerned that a variance may result because an account's risk score has changed, the IAR may exercise discretion in executing trades to address the variance, within the parameters defined in the Firm's Form ADV Part 2A-Appendix 1 (ESI Directions). The IAR may exercise discretion in the purchase and/or selling of positions among the existing holdings of the account and will not introduce new holdings without first obtaining the client's consent.

If the client is unwilling to have their assets reallocated to be consistent with their chosen model, and changing their asset allocation model is inappropriate, the IAR should discuss moving the client's assets to a different program, or to a brokerage account, document the discussion with the client, and provide this documentation to the BOS, who with the IAR will decide if the program remains suitable for the client. If it is determined that EFA will allow the client to remain in the program despite having assets inconsistent with the chosen model, the client will be notified of the decision.

Note: The IAR and client should take corrective action before the account's appearance on the Variance Report whenever possible.

14.10 Procedure for ESI Compass Accounts

EFA engages in ongoing monitoring of the ESI Compass program and the IARs assigned as portfolio managers. IARs are responsible for monitoring and managing their clients' individual ESI Compass accounts. EFA reviews program account activity for variance. IARs will review their model portfolios periodically to ensure that investments remain consistent with the client's stated investment objective.

14.10.1 Home Office Processes

EFA uses a proprietary system provided by Envestnet to monitor client accounts. To assist IARs in monitoring accounts, the *Investment Policy Exceptions Report* is available on Envestnet. Below are the investment policies in place for ESI Compass accounts include Risk Variance, Concentration, Position Count, and Sustained Cash. For details on each policy, review the *Advisor-as-Portfolio Manager Requirements and Application* document.

Accounts that violate any of the above policies will be reflected on the *Investment Policy Exceptions Report* ("Variance Report"), Such accounts are considered to be in "variance" from the Firm's investment policies. IARs are responsible for monitoring their clients' accounts for compliance with the Firm's investment policies.

For accounts identified as being in violation of one or more investment policies, the IAR will have 90 days in which to take corrective action and address the identified policy violation. After this period, the Surveillance Team or other home office staff employee will contact the IAR regarding accounts on the Variance Report. EFA may permit variances from the Investment Model to continue longer than 90 days, provided that a satisfactory reason for the variance (as determined by EFA, in its sole discretion) is obtained, and provided that the client consents to the variance. In such instances, the foregoing will be documented by EFA.

First Variance Notice - If an account remains in variance for 90 days or more, it will be listed on the next monthly Variance Report generated and monitored by EFA's surveillance area. A First Variance Notice will go out to the IAR. An account's appearance on the Variance Report will result in the Firm requesting either a response from the IAR addressing what action will be taken to bring the account into alignment with the client's chosen model allocations, or the client providing instructions to change the selected portfolio model. Portfolio model changes may be documented with either a new Statement of Investment Selection or with other written confirmation, from the client, indicating their understanding of a different level of risk from their original model selection.

Second Variance Notice – If the IAR is not able to provide an acceptable rationale for not addressing the variance, and the variance is not otherwise addressed for 120 or more days, a Second Variance

Notice will be sent to the IAR, and the client. EFA may waive its portion of the management fee, including the portion that would otherwise be paid to the IAR.

Final Variance Notice – If the variance remains unaddressed for an additional 30 days from the date of the Second Variance Notice, EFA may provide a 30-day termination notice to the client and initiate the process of converting the account to a non-managed standard brokerage account, unless there are reasonable grounds to delay or not send such a letter, and such reasonable grounds are documented. The account variance may still be rectified during this process, which would allow the account to remain in the ESI Compass program.

Discretion – If the variance is not addressed within 30 days from the date of the Second Variance Letter, EFA may exercise discretion, in accordance with the Firm's Form ADV 2A, to address the variance and ensure the account is aligned with the client's last instruction on file with the Firm.

14.10.2 IAR Processes

EFA's IARs must provide Form ADV Part 2A-Appendix 1, Form ADV Part 2B, and Form CRS (a.k.a ADV Part 3), which disclose the Firm's advisory services, fees, conflicts of interest and portfolio/supervisory reviews, in accordance with the requirements of SEC Rules 204-3 (ADV Part 2) and 204-5 (ADV Part 3).

Envestnet provides a website for IARs to access daily information on Compass client accounts, such as balances, transactions, and the allocation in which clients' accounts are invested. The website makes available a report for IARs to monitor drift from the target allocation for each security in the model. IARs must use this website to monitor client accounts. The system assigns a "risk rating" score to each investment model, and then analyzes the holdings in a client's account and assigns a risk score to the account. The Envestnet system identifies accounts where the risk rating of the portfolio is materially different from the risk score of the chosen investment model. Identified accounts which are not addressed by the IAR and client within 90 days of the alert will appear on the Firm's surveillance reports.

IARs are responsible for timely addressing variance issues. Whenever possible, they should take corrective action to address potential variance before accounts appear on the Firm's variance reports.

The IAR may exercise discretionary trading authority in managing model portfolios, as described in the Firm's Form ADV Part 2A-Appendix 1 (ESI Compass) and the client's Terms and Conditions Agreement. However, IARs may not modify or change their clients' stated investment objective(s) without their consent.

14.11 Procedure for Illuminations Navigator Select Accounts

The following is a procedure for reviewing Navigator Select accounts for which EFA is the Advisor or Co-Advisor. The review is done to determine if the accounts are in variance from the client's selected investment objective. This program is closed to new investors.

14.11.1 Home Office Processes

EFA uses a proprietary system provided by Envestnet to monitor client accounts. Below are the investment policies in place for Navigator Select accounts.

- **Risk Variance** – Clients complete an Investment Profile Questionnaire, which helps score the client into a risk rating range. Based on the Questionnaire, the IAR works with the client to select the appropriate Strategist and Model to be invested in to match the client's investment objective and risk score. Envestnet assigns each investment objective a score within a numeric risk assessment range ("risk rating"). Envestnet recalculates each account's risk rating score after every business day with updated asset pricing. The Firm allows a portfolio to have a risk assessment score outside of the client's indicated risk rating, provided that the portfolio score is within the next highest or lowest risk rating range. An account with a risk score beyond the next highest or lowest risk rating range is in violation.

Each quarter, a sample of Navigator Select accounts will be reviewed by the Surveillance Team or other designated home office staff person to determine if they remain consistent with the selected risk rating. If an account violates the above policy, it will be considered in "variance" and require action. It is the IARs' responsibility to monitor their clients' accounts for variance.

For accounts identified as being in variance, the IAR will have 90 days (except for low activity which is 12 calendar months) in which to take corrective action to bring the account's risk rating in line with the client's original investment objective. After this period, the Surveillance Team or other home office staff employee will contact the IAR regarding accounts on the variance report. EFA may permit variances from the Investment Model to continue longer than 90 days, provided that a satisfactory reason for the variance (as determined by EFA, in its sole discretion) is obtained, and provided that the client consents to the variance. In such instances, the foregoing will be documented by EFA.

First Variance Notice – If a sampled account is in variance for 90 days or more, a First Variance Notice will go out to the IAR. An account's appearance on the Variance Report will result in the Firm requesting either a response from the IAR addressing what action will be taken to bring the account into alignment with the client's chosen model allocations, or the client providing instructions to change the selected portfolio model. Portfolio model changes may be documented with either a new Statement of Investment Selection or with other written confirmation, from the client, indicating their understanding of a different level of risk from their original model selection.

Second Variance Notice – If the IAR is not able to provide the rationale (acceptable to the Firm) for not making changes to the account, and the account remains in variance from the target risk rating for 120 or more days, a Repeat Variance Notice will be sent to the IAR and the client. EFA may also waive its portion of the management fee, including the portion that would otherwise be paid to the IAR.

Final Variance Notice – If the account is not rebalanced, or a model change submitted within 30 days of the second variance letter, EFA may provide a 30-day termination notice to the client and initiate the process of converting the accounts to non-managed standard brokerage accounts, unless there are reasonable grounds to delay or not send such a letter, and those reasonable grounds are documented. The account variance may still be rectified during this process, which would allow the account to remain in the Navigator Select program.

14.11.2 IAR Processes

Envestnet provides a website for IARs to access daily information on Navigator Select accounts, such as balances, transactions, and the allocation in which clients' accounts are invested. The website makes available a report for IARs to monitor drift from the target allocation for each security in the model. IARs must use this website to monitor client accounts. The system assigns a "risk rating" score to each investment model, and then analyzes the holdings in a client's account and assigns a risk score to the account. The Envestnet system identifies accounts where the risk rating of the portfolio is materially different from the risk score of the chosen investment model. Identified accounts which are not addressed by the IAR and client within 90 days of the alert will appear on the Firm's surveillance reports.

If the IAR observes that an account is in variance, the IAR must recommend (and document his/her recommendation, e.g., note to file, letter to client) that the client reallocate assets to bring the account(s) back in-line with the model. If the client is unwilling to do so, the IAR should determine whether the client's investment objectives have changed. A new asset allocation model consistent with the client's current holdings may be appropriate and documentation of the client's intended asset allocation model should be obtained.

If the client is unwilling to have their assets reallocated to be consistent with their chosen model, and changing their asset allocation model is inappropriate, the IAR should discuss moving the client's assets to a different program, or to a brokerage account, document the discussion with the client, and provide this documentation to the BOS, who with the IAR will decide if the program remains suitable for the client. If it is determined that EFA will allow the client to remain in the program despite having assets inconsistent with the chosen model, the client will be notified of the decision.

14.12 Procedure for Quarterly Review of Advised and Co-Advised Accounts

The following process is to be followed for programs sponsored by Saratoga, SEI Trust Company, Morningstar, and AssetMark (Advisor Model) where EFA is identified as a Co-Adviser or sole Adviser.

The following is the procedure for reviewing a sampling and/or reports of managed accounts for which EFA is the Adviser or Co-Adviser. The review is done to ensure the client's mandates are being followed with respect to the investment instructions, risk tolerance, as well as looking for any suspected fraudulent activity.

For the program accounts identified in this section, each quarter either a sampling of account statements from each program will be compared against the portfolio/allocation model indicated by the client or exception reports provided by these third-party advisers will be reviewed.

For sampled accounts, the Surveillance Team will review the model that the account is invested in and compare it to the original allocation or investment objectives received by the client. Documentation will be maintained for each account reviewed in the sampling.

If made available by the program sponsor, exception reports may be used to ensure client's mandates are being followed. Documentation of the review of exception reports will be maintained.

In the event the Surveillance Team finds anything of concern or finds the portfolio is no longer in-line with the clients' risk profile, it will be brought to the attention of the responsible IAR (copying their BOS) for a detailed explanation and/or written documentation that supports the change. The Docupace client file will be updated with the explanation obtained.

- If after 30 days from being notified, the responsible IAR has not acted to correct the discrepancy, the responsible IAR has not acted to correct the discrepancy, EFA may waive its portion of the management fee until the discrepancy is resolved. Ultimately the Firm will terminate the investment advisory agreement, with notice, if the clients do not authorize an action to remedy the discrepancy.
- Any unresolved issues may be escalated to the BOS.

Note: At least annually, Compliance will review and confirm that the above account review activities have been conducted by the Surveillance Team. Compliance will maintain the evidence of such review.

14.13 Financial Plans/Financial Consulting

All financial plans/consultations to be provided at one-on-one conferences must be submitted to the Firm's main office by the IAR along with any payment for financial planning and financial consulting fees and any other paperwork required by the Firm. Financial planning/consulting fees must be payable to the Firm (i.e. "Equity Services, Inc." or "EFA"). Checks received which have been made payable to any entity other than the Firm will be recorded on the Firm's Checks Received/Transaction Blotter, and mailed directly back to the client by the next business day.

Such financial plans and financial consulting documents must be reviewed by Suitability Review Principals with evidence of such review maintained at the Firm's main office. Suitability Review Principals will verify that fees charged are consistent with the Firm's fee schedule, as disclosed in the Form ADV 2A.

14.13.1 Investment Analysis Tools

ESI may use investment analysis tools for use by customers either independently or with assistance from an IAR. An "investment analysis tool" is an interactive technological tool that produces simulations, statistical analyses, and financial plans that present the likelihood of various investment outcomes if certain investments are made or certain investment strategies or styles are undertaken, serving as a resource to investors in evaluating the potential risks and return of investment choices.

Proposals for investment analysis tools (including methodology, proposed use, types of investors who will use the tool) must be submitted to the AGT for review and approval prior to use unless provided by an already-approved vendor that created the tool.

Chapter 15 - Code of Ethics

15.1 Policy

Investment advisers are fiduciaries that owe their undivided loyalty to their clients. Investment advisers are trusted to represent clients' interests in many matters, and advisers must hold themselves to the highest standard of fairness in all such matters.

Rule 204A-1 under the Advisers Act requires each registered investment adviser to adopt and implement a written code of ethics that contains provisions regarding:

- The adviser's fiduciary duty to its clients;
- Compliance with all applicable Federal Securities Laws;
- Reporting and review of personal Securities transactions and holdings;
- Reporting of violations of the code; and
- Delivery of the code to all Employees.

The Firm provides the Firm's Code to all employees, including IARs. Upon joining the Firm, each employee must read the Code and complete an acknowledgment form stating that he or she has read and understands the Code. The Code enumerates the procedures that must be followed, including the quarterly reporting of all personal securities transactions. The Firm maintains copies of the acknowledgement forms, and of the personal securities transaction reports.

15.2 Fiduciary Standards and Compliance with the Federal Securities Laws

At all times, EFA and its Employees must comply with the spirit and the letter of the Federal Securities Laws and the rules governing the capital markets. The CCO and his/her designees administer the Code of Ethics. Questions regarding the Code should be directed to Compliance. You must cooperate to the fullest extent reasonably requested by the CCO to enable (i) EFA to comply with all applicable Federal Securities Laws and (ii) the CCO to discharge duties under the Code of Ethics.

All Employees will act with competence, dignity, integrity, and in an ethical manner, when dealing with Clients, the public, prospects, third-party service providers and fellow Employees. Employees must use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, trading, promoting EFA's services, and engaging in other professional activities.

We expect all Employees to adhere to the highest standards with respect to any potential conflicts of interest with Clients. As a fiduciary, EFA must act in its Clients' best interests. Neither EFA, nor any Employee should ever benefit at the expense of any Client. Notify the CCO promptly if you become aware of any practice that creates, or gives the appearance of, a material conflict of interest.

Employees are generally expected to discuss any perceived risks or concerns about the Firm's business practices with their direct supervisor. However, if an Employee is uncomfortable discussing an issue with their supervisor, or if they believe that an issue has not been appropriately addressed, the Employee should bring the matter to the attention of Compliance, or if the supervisor is the CCO, then to the attention of the President.

15.3 Responsibility

The CCO, or designee is responsible for implementing and monitoring our policy on personal securities transactions and activities, practices, disclosures and recordkeeping for field IARs. The CCO is also responsible for implementing and monitoring our policy on personal securities transactions and activities, practices, disclosures and recordkeeping for home office employees.

EFA will describe its Code of Ethics in Part 2A of Form ADV and, upon request, furnish clients with a copy of the Code of Ethics. All client requests for EFA's Code of Ethics should be directed to the VP, Investment Adviser Compliance.

Questions regarding this policy or related procedures should be directed to the CCO.

15.4 Reporting Violations of the Code

Employees must promptly report any suspected violations of the Code of Ethics to the CCO. To the extent practicable, EFA will protect the identity of an Employee who reports a suspected violation. However, the Company remains responsible for satisfying the regulatory reporting and other obligations that may follow the reporting of a potential violation. The CCO shall be responsible for ensuring a thorough investigation of all suspected violations of the Code and shall prepare a report of all violations.

Retaliation against any Employee who reports a violation of the Code of Ethics is strictly prohibited and will be cause for corrective action, up to and including, dismissal.

Violations of this Code of Ethics, or the other policies and procedures set forth in the Manual, may warrant sanctions including, without limitation, requiring that personal trades be reversed, requiring the disgorgement of profits or gifts, issuing a letter of caution or warning, suspending personal trading rights, imposing a fine, suspending employment (with or without compensation), making a civil referral to the SEC, making a criminal referral, terminating employment for cause, and/or a combination of the foregoing. Violations may also subject an Employee to civil, regulatory or criminal sanctions. No Employee will determine whether he or she committed a violation of the Code of Ethics, or impose any sanction against himself or herself. All sanctions and other actions taken will be in accordance with applicable employment laws and regulations.

15.4.1 Disciplinary Action - Although it is impossible to list all circumstances in which discipline may be imposed, disciplinary action may be considered when there is:

- An admitted material violation of company policy, regulatory rules or regulations, or federal/state laws.
- A determination of an actual or probable material violation of company policy, regulatory rules or regulations, or federal/state laws.

If a Branch Office Supervisor has concerns about one of the representatives they supervise, the BOS should contact Compliance and/or the Disciplinary Committee (members include the President, Chief Compliance Officer, SVP Operations, RVP for region involved, Law (advisory) and the RR's Designated Supervisor) so that appropriate actions may be considered.

15.4.2 Who Determines Disciplinary Action - Although Compliance is not the ultimate decision maker in determining disciplinary action, it is essential that Compliance be notified in advance of all disciplinary actions in order to analyze such actions for regulatory reporting purposes and for adequate recordkeeping of disciplinary information. Compliance may recommend modification of the terms of discipline outlined in the policy depending on the facts and circumstances of the situation. Ultimately, the designated supervisor is responsible to determine and enforce any disciplinary action.

15.4.3 Additional Action – The employee may be subject to Heightened Supervision. The employee also may be excluded for a specified period of time from forms of special recognition offered by the Firm. The employee may also be subject to added education, retesting for licensing, title downgrading, or other remedial actions deemed appropriate by the RR's Designated Supervisor with input from Compliance.

In addition, the Designated Supervisor or Compliance may determine to send an IAR or employee a Letter of Reminder (LOR). An LOR is a memorandum that specifies a possible violation and/or serves as a reminder to the individual that Firm policies must be followed. The LOR outlines the expected behavior and the possible consequences of future violations similar in nature. The LOR does not require the recipient's signature and is not considered a disciplinary action.

15.4.4 Considerations In Determining Type Of Discipline – The nature of the inappropriate conduct is important in determining the type of discipline to be imposed: the more serious the conduct,

the more severe the discipline. An employee's prior complaint and disciplinary history will be considered in determining the appropriate level of discipline. The activity's risk to the Firm, injury to customers, and the employee's cooperation may all be factors (among others) in determining the discipline.

15.4.5 Anti-Retaliation – The Firm will not retaliate against an employee who reports some practice of the Firm, a department, or employee(s) or of another individual or entity with whom the Firm has a business relationship that may represent a rule or law violation. The Firm will not retaliate against employees who disclose or threaten to disclose (to the Firm or a public body such as a regulator) any activity, policy, or practice of the Firm that the employee believes is in violation of a law, or a rule, or regulation mandated pursuant to law.

Supervisors and others are prohibited from engaging in discipline, threats, or discriminatory actions against employees for engaging in whistle blowing activities.

This policy incorporates the attached Equity Services, Inc. Conflict Management Framework, as amended, which is distributed to the Firm's employees and IARs.

15.5 Review of Personal Securities Transactions

EFA's policy allows employees to engage in personal securities transactions provided that any personal investing by an employee in any account in which the employee has a beneficial interest (including any account held by any immediate family or household member) is consistent with EFA's fiduciary duty to its clients and with regulatory requirements. The Firm has adopted a Code of Ethics (the "Code"), which is attached, in order to implement this policy.

As stated in the Code, each home office employee must disclose all personal investment accounts to the Firm and report all reportable transactions and investment activity on at least a quarterly basis to the VP, Investment Adviser Compliance, or other designated officer. Each IAR located in the Firm's field offices must disclose all personal investment accounts and report all reportable transactions and investment activity on at least a quarterly basis through the Firm's electronic reporting and notification system. The Firm, in its sole discretion, may utilize a third-party vendor to receive and aggregate electronic data feeds from other brokerage firms for trading activity reporting and analysis purposes.

15.5.1 Background - Rule 204A-1 under the Advisers Act provides that the adviser must adopt and enforce a code of ethics ("Code") applicable to its supervised persons. The rule prohibits certain supervised persons (referred to as "Access Persons") from engaging in fraudulent, deceitful, or manipulative practices in connection with the purchase or sale of a security held or to be acquired by clients of the adviser. The rule also requires Access Persons to report their personal securities holdings and transactions, including transactions in mutual funds advised by the Firm or its affiliates.

When an advisory employee invests for his or her own account, conflicts of interest may arise between a client's and that employee's interest. Such conflicts may include using the employee's advisory position to take advantage of available investment opportunities, taking an investment opportunity from a client for the employee's own portfolio, or front-running, which occurs when an advisory employee trades in his or her personal account before making client transactions. As a fiduciary, EFA owes a duty of loyalty to clients, which requires each IAR to place the interests of the client over his or her own interests. Rule 204A-1 was designed to reinforce these fiduciary principles, and to thereby prevent fraud.

15.5.2 Periodic Review - The CCO or his/her designee shall utilize a combination of manual and automated analysis to periodically review and compare reported transactions of Access Persons in securities with the transactions of:

- the Access Person indicated on his or her confirmations and account statements;
- comparable clients of the Firm;
- the securities on any watch or restricted lists; and

- the securities of issuers recently engaged in making IPOs.

15.5.2.1 Review of ESI Home Office Employees' Reports - The Surveillance Team or designee, will review all ESI home office employees' reports of personal securities transactions for compliance with the Firm's policies, including the Insider Trading Policy, regulatory requirements and the Firm's fiduciary duty to its clients, among other things.

15.5.2.2 Review of Field IARs' Reports - The Surveillance Team, or designee, will review all field IARs' reports of personal securities transactions for compliance with the Firm's policies, including the Insider Trading Policy, regulatory requirements and the Firm's fiduciary duty to its clients, among other things.

15.5.3 Suspected Violations - If the CCO suspects that an Access Person has violated these procedures, the CCO or his/her designee shall investigate the alleged violation, and, as part of that investigation, all the Access Person an opportunity to explain why the violation occurred or did not occur.

15.5.4 Violation Report - If the CCO concludes that an Access Person has violated these procedures, he or she shall submit to the CEO a summary report of such violation, his or her investigation of such violation, and his or her recommendation on what steps should be taken to address such violation, including recommended sanctions against the violator.

15.5.5 Patterns - The CCO or his/her designee shall periodically review trades of the Access Person in past periods in an effort to find patterns or deviation from patterns (e.g. a spike in personal trades).

15.5.6 Sanctions - The CCO will recommend the imposition of the following sanctions either in ascending order or a combination of sanctions depending on the facts and circumstance of the violation:

- Warning;
- Disgorgement of profit and donating profit to a charity;
- Withdrawal of the privilege to make personal trades;
- Monetary fine;
- Disciplinary letter regarding the misconduct; and
- Termination of employment.

15.6 Private Securities Transactions

15.6.1 Policy

IARs and employees are not permitted to engage in private securities transactions (as defined by FINRA), whether or not there is compensation paid for effecting the transaction, without the prior written permission of Compliance in the Firm's main office. Private securities transactions are defined as any securities transaction outside the regular course or scope of an IAR's or employee's employment with EFA (sometimes referred to as "selling away"). This does not include outside securities accounts approved by the Firm, transactions with immediate family members where the IAR or employee receives no selling compensation, and personal transactions in investment company and variable annuity securities.

IARs should note that promissory notes, charitable gift annuities, viatical and life settlements often are securities. Even if such products are not deemed a security, the IAR has the obligation to obtain the Firm's permission **before** engaging in any outside business activity involving the offer of promissory notes, charitable gift annuities, numismatic investments (coins), limited partnerships, limited liability companies, viatical, life settlements or any other business enterprise which involves the raising of capital through sources other than commercial lending institutions.

IARs are required to conduct their securities-related activities through ESI unless prior written permission has been provided for a private securities transaction by Compliance in the Firm's main office.

15.6.2 Promissory Notes

Promissory notes may be an attempt by certain companies to raise capital through unregistered insurance agents and IARs. Promissory notes have, in the past, served as the vehicle through which many Ponzi (pyramid) schemes have been structured, defrauding unsuspecting investors. Only promissory notes approved by the firm may be utilized as part of an investment model strategy. If you have any questions about whether a specific security can be used as part of an asset allocation model, contact Compliance.

Promissory notes between IARs or between supervisors and advisors require Compliance review and approval to ensure the arrangement does not fall under the definition of a security. Arrangements requiring review and approval include and are not limited to letter agreements, loans, commission advances, etc., in relation to securities business.

15.6.3 Other Security Types

IARs should not rely on the opinions other than those of Compliance to determine whether a transaction involves a security. The definition of a security includes, but is not limited to, the following:

- New offering of securities which are not registered with the SEC or state securities commission
- Private placements
- Common stock, preferred stock, restricted stock, *etc.*
- Bonds, evidence of indebtedness, debentures
- Limited partnership interests
- Limited liability company interests
- Group variable contracts
- Promissory notes
- Numismatic investments (precious coins)
- Life or viatical settlements
- Charitable gift annuities
- No-load mutual funds

When determining whether or not the transaction qualifies as a private securities transaction, IARs should not rely on the opinion of anyone other than the Firm. The transaction is strictly prohibited without first obtaining approval from Compliance, *even if the IAR acts on the advice of their own legal counsel.*

Per the Firm's Code of Ethics, personal transactions in unregistered securities must be reported on the IAR's next Quarterly Transaction Report and, the holding must be recorded annually, on their Annual Holdings Report, so long as the IAR maintains a position with the security.

15.7 Conflicts of Interest

Conflicts of interest may exist between various individuals and entities, including EFA, its Employees, and the interests of its Clients. Any failure to identify or properly address a conflict can have severe negative repercussions for EFA, its Employees, and/or its Clients. In some cases, the improper handling of a conflict could result in litigation and/or disciplinary action.

Under the Advisers Act, EFA has a duty to make full and fair disclosure to clients, particularly where it may have a material conflict of interest. Potential conflicts of interest that trigger such disclosure include dealings

with affiliates, the receipt of compensation from third parties that may affect the adviser's advice, an adviser's financial interest in a transaction (for example, acting as a principal), client referral arrangements, and personal and proprietary trading by the adviser and its employees. The nature and amount of disclosure that EFA should make in any such situation will depend on the facts and circumstances of each case, including the materiality of the conflict, though the disclosure obligation in such situations is broader than that under normal circumstances. Underlying this duty is the common law notion that a fiduciary must disclose when its interests may be in material conflict with those of its client so that the client may make a fully informed evaluation of the adviser.

Potential conflicts of interest may exist between EFA and its advisory clients under certain circumstances in which EFA and/or its affiliates provide services to clients. To the extent such potential conflicts exist, EFA generally will only engage in the activity giving rise to the conflicts if it is permissible under applicable regulatory requirements and/or if it first obtains the client's informed consent. Again, in such circumstances, EFA must make full disclosure to the advisory client, through its Form ADV or otherwise, as by contract or similar document.

Sections 206(1) and 206(2) of the Advisers Act address conflicts of interest which may arise in an investment advisory relationship, even though the conflicts may not specifically involve prohibited activities. EFA's policies and procedures have been designed to identify and properly disclose, mitigate, and/or eliminate applicable conflicts of interest. Employees must use good judgment in identifying and responding appropriately to actual or apparent conflicts. Conflicts of interest that involve EFA and/or its Employees on one hand and Clients on the other hand will generally be fully disclosed and/or resolved in a way that favors the interests of the Clients over the interests of EFA and its Employees. If an Employee believes that a conflict of interest has not been identified or appropriately addressed, that Employee should promptly bring the issue to the CCO's attention.

15.7.1 Procedure

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy:

15.7.1.1 Business Unit Leaders – On a continuous basis, business unit leaders are responsible for understanding and reviewing the activities and transactions of their business unit that may give rise to conflicts of interest between EFA and its clients. Business unit leaders that become aware of activities and transactions that present areas of concern about conflicts of interest shall notify and consult with the Law Department promptly.

15.7.1.2 Determination of Conflicts –Compliance, in consultation with the Law Department, will determine whether a particular area of EFA's business gives rise to conflicts of interest between EFA and its clients.

15.7.1.3 Addressing Conflicts of Interest – As necessary, Compliance is responsible for developing separate policies and procedures to address all new EFA conflicts of interest.

15.7.1.4 Senior Management Meeting – On a quarterly basis, appropriate business unit leaders and representatives of Compliance will review the current areas of EFA's business that give rise to potential conflicts of interest and discuss whether any additional business activities, transactions or engagements that may give rise to potential conflicts of interest are being contemplated over the next quarter.

15.7.1.5 Affiliated Brokerage Arrangements – EFA is a registered broker-dealer and may effect securities transactions for its advisory clients in its capacity as such. To address the potential risks associated with this, EFA has adopted the following policy and procedures:

a. **Best Execution** –EFA's execution of portfolio transactions in its capacity as a broker-dealer shall at all times be subject to its duty to seek "best execution under the circumstances" for the client.

b. **Trading Costs** – On an annual basis, EFA will compare the cost of trades it executes with industry averages as determined by an independent source.

15.7.1.6 Third-Party Service Providers – In evaluating service provider arrangements, the Company and CCO should be alert for any arrangements that could unfairly benefit the adviser or others to the detriment of the Company or its Clients. When evaluating an arrangement with an affiliated service provider that in turn subcontracts to an unaffiliated service provider, the Company and CCO shall inquire about the respective roles of the two entities and whether management or the affiliated service provider receives any benefit, directly or indirectly, other than the fees payable under the contract. The CCO must evaluate the fees paid to the affiliated service provider and any unaffiliated service provider, relative to the services each will perform.

Conflicts of interest also may arise in arrangements with unaffiliated service providers. The Company shall also inquire about other business relationships between affiliates of the adviser and the service provider or any of the service provider's affiliates.

15.8 Gifts and Entertainment

15.8.1 Gifts to Others – Gifts of anything of value and gratuities to anyone relating to the Firm's business are limited to $100 per year per person. Gifts of tickets to sporting events or similar gifts where the employee does not accompany the recipient are subject to the limitations on gifts and gratuities. Such gifts may not be so frequent or so expensive as to raise a suggestion of unethical conduct.

Employees of regulators are also subject to rule limitations regarding gifts to them from broker-dealers and their employees. Compliance should be contacted for guidance before giving gifts to employees of regulators.

Gifts and gratuities are not permitted when given for the purpose of influencing or rewarding the action of a person in connection with the publication of information which has or is intended to have an effect upon the market price of any security. This does not apply to paid advertising.

Key points related to gifts include, but are not limited to:

- Gifts to others are limited to $100 per year per person (other than "personal gifts" defined in the policy).
    - Multiple gifts to the same person are aggregated, *i.e.,* the total of all gifts in any year firm-wide cannot exceed $100 to one person.
    - "Personal gifts" are excluded (as discussed below).
- An employee must host entertainment to avoid entertainment being considered a "gift" subject to limitations.
- Gifts to labor union employees require prior Compliance approval.
- Gifts to public officials require prior Compliance approval.
- Giving and/or receiving cash or cash equivalents is prohibited.
- Your supervisor and Compliance must be notified of gifts given and gifts received (other than personal gifts).
- Gift requirements (whether the gift is given or received) do not apply to personal gifts to immediate family members (parents, children, grandparents, siblings, spouse, in-laws) who also happen to be customers and where the gift is unrelated to the Firm's business. The policy also does not apply to occasional personal gifts to others (such as a wedding gift or a congratulatory gift for the birth of a child, which are not taken a business expense).

- If the Firm pays for the gift or reimburses the employee for the cost of the gift, or if the employee/IAR expenses the gift or otherwise treats the gift as a business expense, the gift is subject to the requirements of this policy.
- Gifts incidental to entertainment (*e.g.,* a golf shirt given during a golf outing, *etc.*) are considered gifts subject to reporting to Compliance and the gift limitations.
- The reporting requirement does not apply to promotional items under $75 that display the firm's logo (*e.g.*, umbrellas, tote bags or shirts).

15.8.2 Accepting Gifts – IARs and employees may not solicit gifts or gratuities from customers or other persons with business dealings with the Firm. IARs and employees are not permitted to accept gifts from outside vendors currently doing business with the Firm or seeking future business without the written approval of Compliance. This policy does not include customary business lunches or entertainment or promotional logo items up to $75 (caps, T-shirts, pens, *etc.*). Refer to the Firm's Code of Ethics for more complete information.

15.8.3 Entertainment – Entertainment of customers or prospective customers must be reasonable and not so expensive it raises a suggestion of unethical conduct.

The limitation on gifts and gratuities does not apply to usual business entertainment such as dinners or sporting events where the employee hosts the entertainment, though such expenses should be reasonable. "Entertainment" includes a broad range of activities such as trips, parties, and other activities where an employee hosts someone related to the Firm's business. Questions regarding the reasonableness of proposed entertainment and related expenses should be referred to Compliance.

IARs may invite clients to entertainment or accept entertainment from a product sponsor provided that:

- The entertainment is not frequent, lavish or excessive as to raise a suggestion of unethical conduct.
- The entertainment is not based on meeting a sales target.
- The IAR attends with the client if they are giving the entertainment or with the product sponsor if they are receiving the entertainment. Otherwise, it is a gift and subject to the $100 gift limit.
- Items given/received before, during, or after the entertainment are considered gifts. These gifts must be logged on the Gift Log and provided to the Designated Supervisor and Compliance for approval.

Prior approval is required for entertainment being given or received that:

- Involves airfare and/or an overnight stay.
- Is estimated over $300 per individual. This includes:
  - $300 per individual for entertainment given by IAR.
  - $300 per product sponsor entertainment being received by IAR.
- Could be construed as frequent, lavish, or excessive for review to determine its appropriateness.

To obtain prior approval for entertainment, the IAR must complete the Entertainment Declaration Form, via the Firm's designated third-party web-based service provider, and submit to the Designated Supervisor for review and approval. The IAR may not engage in the entertainment until approval is received.

15.9 Training

15.9.1 New employees - Each newly-hired or newly-designated Access Person shall review these procedures and this Code of Ethics, and shall be required to certify within 10 business days of hire that he or she has read and understands these policies and procedures.

15.9.2 Annual Training - At least annually, employees will receive training which reviews the requirements of these policies and procedures.

Chapter 16 - Privacy

16.1 Introduction

ESI (doing business as “EFA”) has adopted a Privacy Policy which is provided to customers at the time a new account is opened. A Privacy Notice is also sent to all customers on an annual basis. The Privacy Policy explains the Firm's policies regarding safeguarding of customer information and records and whether EFA shares information with outside parties. ESI also publishes its Privacy Notice on its website.

SEC Regulation S-P ("Privacy of Consumer Financial Information") applies only to accounts for individuals (i.e., institutional accounts are not affected) and differentiates between "customers," where EFA has an established relationship with the individual, and "consumers," where there is no pre-established relationship. For purposes of this section, any individual from whom information is obtained (and their legal representative acting on their behalf) to open an account, or to obtain services or products from EFA is considered a "customer." The term "consumer" will be considered synonymous with "customer" for purposes of this section.

The Privacy Policy applies to all individual customers of EFA, whether U.S. residents or foreign residents.

16.2 "Public" vs. "Nonpublic" Personal Information About Customers

Generally, information provided to EFA by a customer or potential customer in the normal course of EFA offering a product or service is considered "nonpublic personal information." Identifying whether information is "public" or "nonpublic" is important, as to the Firm's obligations, if EFA shares information with nonaffiliated third parties. Nonpublic personal information includes “personally identifiable financial information,” which is defined as any information a consumer provides the Firm, as well as information the Firm may otherwise obtain about that consumer, in connection with financial products or services it provides to the consumer. However, nonpublic personal information generally does not include publicly available information.

For example, even if you first learned it when you opened her account, your customer’s telephone number is not nonpublic personal information if it is published in the telephone book. However, it may be nonpublic personal information if the number is unlisted.

Publicly available information is information that EFA reasonably believes may be obtained from three sources:

- federal state or local government records;
- widely distributed media; or,
- disclosures to the general public that are required to be made by federal, state, or local law.

Nonpublic personal information also includes any list, description, or other grouping of customers (and publicly available information about them) that is derived from financial information that is not publicly available.

16.3 Sharing Nonpublic Financial Information

In the normal course of business, EFA will share customer nonpublic financial information with service providers such as clearing firms or service bureaus. Agreements with such third parties include assurances regarding the protection of customer records and information. Information sharing with affiliated companies may also occur, and if applicable, is disclosed in the Firm's Privacy Policy.

EFA does not share customer nonpublic financial information with non-affiliated companies or non-exempt service providers, except in the situation where a terminating representative maintained a client’s file, and information typically found in those files, and shares this information with a new firm to facilitate the transfer of accounts. Clients must consent to this practice in a manner that is effective under applicable state law.

16.4 Annual Notification

On an annual basis, ESI will provide all customers with notice regarding the Firm's Privacy Policy.

16.5 Protection of Customer Information and Records

EFA has adopted the following written procedures and safeguards addressing administrative, technical and physical safeguards for the protection of customer records and information. These written procedures and safeguards are designed to (a) ensure the security and confidentiality of customer records information, (b) protect against anticipated threats or hazards to the security or integrity of customer records and information, and (c) protect against unauthorized access to or use of customer records or information that could result in substantial harm or inconvenience to any customer. The term "customer" as used herein has the meaning provided in Regulation S-P as adopted by the United States Securities and Exchange Commission. Confidential information, also known as "nonpublic personal information" includes, but is not limited to, the following:

- Applications or other forms, with information such as name, address, social security number, assets, income, employment status, birthdate;
- Transactions with the Firm its affiliates or with others, such as account activity, payment history and products and services purchased;
- Consumer reporting agencies and verification services;
- Visits to the Firm's websites, including information from on-line forms and on-line information collecting devices, commonly called cookies;
- Medical, health, avocation and other personal information from applications, medical examination providers, the Medical Information Bureau, hospitals and other third parties.

16.5.1 Confidentiality of Customer Information and Records – The policy of EFA is that all customer information and records are to be kept strictly confidential, and under no circumstances is any such information or records to be revealed to or shared with any other person who is not authorized to have access to and use of such information and records, regardless of whether such person is another EFA employee, an employee of an affiliate, or a third person, in each case unless the customer consents to or directs the disclosure. Persons who are authorized to have access to and use of such information will be limited to those to whom such access has been deemed necessary by their supervisor. Individuals authorized to have access to customer information will only be so designated if there is a legitimate business reason for them to have access to and use of the information. These individuals include, but are not necessarily limited to, employees involved in providing services to the client, employees charged with keeping records relating to the client, accounting personnel, technical personnel charged with providing information services to the Company, and consultants engaged by the Company to act in one or more of the foregoing capacities.

16.5.2 Social Security Numbers (SSNs) – SSNs are part of the information subject to protection of customer records. SSNs are obtained when accounts are opened, as required by federal law. SSNs are retained with account records and used for federally-required year-end reporting of transactions and/or income. Access is limited to authorized employees (operations personnel, RRs, managers, *etc.*) and is provided to outsiders only when required by law or court/arbitration action or other authorized authority.

16.5.3 Training of Employees – Each employee who will have access to customer records and information will be trained immediately upon hiring and regularly reminded that EFA's policy is that nonpublic personal information is to be held in strict confidence and is not to be revealed to or discussed with any person who is not formally authorized hereunder to have access to such information, in the absence of a specific customer consent to or direction of a disclosure.

16.5.4 Access to Electronic Records – Customer records and information will be kept on computer systems only under conditions such that access to such information and records is limited to those employees who have been specifically authorized by their supervisor to have such access. Such persons shall be identified when logging on to the system by the use of a password known only to such

person (and the system administrator). The firm's computer systems are protected by firewall and anti-virus programs. See National Life's Written Information Security Policy for more information.

16.5.5 Paper Records – Current information with respect to each client and all related records and information shall be kept within specifically designated areas occupied by persons authorized to have access to such information and records, and in no other place. Older records may be kept in the records center maintained by National Life, but the personnel of such records center shall at all times be trained to release information and records relating to EFA's customers only from the individuals specifically authorized to have access to and use of such records.

16.5.6 Physical Access to Company Premises – Physical access to all EFA premises shall be limited to Company employees and to visitors who have a legitimate reason for being at EFA's premises.

As an initial safeguard against unauthorized access to EFA premises, all entrances to the building in which EFA conducts business, or any building in which EFA records are kept, shall at all times be either staffed by a receptionist or security personnel, or equipped with a device such as an electronic key card which limits access to employees of the Company or its affiliates who have been issued the appropriate credentials for access to the building. The building shall be staffed after business hours by security personnel who shall occasionally patrol the building to be aware of persons on the premises after business hours.

As a secondary safeguard, all entrances to the headquarters of EFA shall be equipped with a device such an electronic key card reader, which limits access to the premises of EFA to designated EFA associated persons or other employees found to have a legitimate business reason for access to such premises. In addition, EFA has adopted the following procedures to protect customer information:

- Customer nonpublic financial information is provided to nonaffiliated third parties by written agreement only.

- Agreements with service providers include contractual requirements for the third parties to protect nonpublic personal information.

The integrity of the Firm's internal computer systems, including privacy protection, is subject to regular review by the National Life Insurance Company, EFA's affiliate and the Firm's Chief Information Security Officer.

16.5.7 Field Offices of Supervisory Jurisdiction and Branch Offices

For Field OSJs and branch offices the following requirements apply:

16.5.7.1 Confidentiality of Customer Information and Records – The policy of the Firm is that all customer information and records are to be kept strictly confidential, and under no circumstances are any such information or records to be revealed to or shared with any other person who is not authorized to have access to and use of such information and records, regardless of whether such person is another Firm employee, an employee of an affiliate, or a third person, in each case unless the customer consents to or directs the disclosure.

Persons who are authorized to have access to and use of such information will be limited to those to whom such access has been deemed necessary by the IAR or the designated supervisor. Such authorized individuals will only be so designated if there is a legitimate business reason for them to have access to and use of the information. These individuals include, but are not necessarily limited to, employees involved in providing services to the client, associates charged with keeping records relating to the client, technical personnel charged with providing information services to the Firm and consultants engaged by the Firm to act in one or more of the foregoing capacities.

16.5.7.2 Confidentiality of Customer Information and Records - Terminating IARs – EFA recognizes that some clients may wish to follow their current IAR to a different broker-dealer if their IAR transfers his/her registration to another firm. EFA will not prevent an IAR from taking a client

file, or the information typically contained in a client file, if he or she leaves the Firm. However, clients must consent to this practice in a manner that is effective under applicable state law.

For clients who have not consented to this practice, representatives (regardless of current broker-dealer affiliation) must return all such client files and information. EFA will provide a notification to terminating or terminated representatives advising of the client information that is required to be returned.

16.5.7.3 Confidentiality of Customer Information and Records - New IARs – All newly hired IARs need to comply with their previous firm's privacy policy related to client information.

16.5.7.4 Training of Associates – Each associated person of a Branch Office or Field OSJ who will have access to customer records and information will be trained immediately upon hiring and regularly reminded that the Firm's policy is that all nonpublic personal information, is to be held in strict confidence and is not to be revealed to or discussed with any person who is not formally authorized hereunder to have access to such information, in the absence of a specific customer consent to or direction of a disclosure. In addition, IARs shall complete training required by the Firm with respect to the Firm 's privacy policies, including acknowledging receipt, understanding of and agreement with the Firm's Compliance & Supervisory Guidelines, attendance of annual compliance meetings and any privacy training required as a part of the Firm's Firm Element Continuing Education Program. The Supervisor shall be responsible for the training of the non-registered associates of the Branch Offices and Field OSJ.

16.5.7.5 Access to Electronic Records – Customer records and information will be kept on computer systems only under conditions such that access to such information and records is limited to those associates who have a business need for the information. Computer users shall be identified when logging on to the computer or network by the use of a password known only to such person (and the system administrator). See National Life's Written Information Security Policy for more information.

16.5.7.6 Paper Records – Current information with respect to each client and all related records and information shall be kept within specifically designated areas with access limited to persons authorized to have access to such information and records, and in no other place. Paper records no longer required by the Firm's record retention policy which contain confidential customer information shall be destroyed by shredding or equivalent means to render the records unreadable.

16.5.7.7 Physical Access to Office Premises – Physical access to the office premises shall be limited to associates and to visitors who have a legitimate reason for being at the premises. As an initial safeguard against unauthorized access to the premises, all entrances to the office area where business is conducted, or any building in which Firm records are kept, shall at all times be either staffed by a receptionist or security personnel, or equipped with a device such as a password-protected entryway, computer card reader or key entry which limits access to associates who have been issued the appropriate credentials for access. The office shall be secured after business hours to reasonable assure protection against unauthorized entry.

16.5.8 Delivery of the Firm's Privacy Notice – IARs shall deliver to each customer, prior to the establishment of an account, the most current copy of the Firm's Privacy Notice. The Privacy Notice is ordinarily included with the Firm's application kits, but is also available to IARs upon request should a need for a separate Privacy Notice arise.

- Customers will be provided the Firm's Privacy Policy at the time an account is opened and annually thereafter.
- Computerized customer information is accessed by password protection or other established controls within the Firm's (or clearing firm's) system to ensure only authorized persons gain access. For example, sales personnel may access information regarding accounts assigned to them but not the accounts assigned to others.

- Requests for customer information from outside parties such as regulators, the IRS, and other government or civil agencies, are referred to Compliance for review and response.
- Customer nonpublic financial information is provided to nonaffiliated third parties by written agreement only.
- All agreements with clearing firms and other service providers include the third party's privacy policies.
- The integrity of the Firm's internal computer systems, including privacy protection, is subject to regular review.

16.5.9 Specific Information Security Requirements

"Protected Information" means personal information about a customer that he or she might consider private, including without limitation, their name (either first name or first initial, in combination with the person's last name), address, telephone number, email address, financial information, employment status, marital status, account (brokerage and/or banking) information, P.I.N. numbers and/or passwords.

"Security Breach" means an incident of unauthorized access to a Customer's Protected Information, whether in electronic or written form, and whether the information is encrypted or not. A good faith but unauthorized acquisition of Protected Information by an affiliate working with an authorized user shall not be a Security Breach, provided there is no material risk of harm or inconvenience to the customer.

Physical Security of Paper Files and Equipment

- Paper files and computer equipment must be locked when someone authorized to access the files or equipment is not present.
- Paper files containing Protected Information should be kept out of view when not in use.
- Field OSJ and Branch Offices must be locked after business hours.
- When paper files containing Protected Information are disposed of, they must be incinerated, shredded, or otherwise destroyed.
- When electronic files containing Protected Information are no longer needed, they must be deleted.

Anytime you have reason to believe a Security Breach has occurred, or may have occurred, you are obligated to notify National Life's Chief Information Security Officer, or alternatively, the CCO or Designee. Based upon the nature of the Security Breach, National Life, in its sole discretion and in accordance with its legal obligations, will determine whether customers will be notified of the Security Breach.

16.6 Cybersecurity

ESI's business is dependent, to a great extent, on digital technology to process its business and interface with customers. This section summarizes ESI's program for addressing cybersecurity risks and references other policies and procedures that deal with cybersecurity issues. Also refer to *Section 16.5: Protection Of Customer Information And Records at EFA Headquarters*.

16.6.1 Assignment of Responsibility – Cybersecurity oversight is the responsibility of the Chief Information Security Officer and designated supervisors.

16.6.2 NLG Information Security Policy – ESI relies on National Life's Information Security Policy available on the Firm's website at: https://today.nationallife.com/information-security/information-security-policies/. The Firm's policy includes details on:

- Asset management
- Working from an alternative location
- Acceptable use policy
- Reporting security incidents or suspicious activities
- Third party access
- Physical securities
- Operations management
- Systems development and maintenance
  - Security in application systems development
  - Risk assessment
  - Control of operational software
  - Protection of production data
  - Security testing
- Cryptographic controls
- Access control
- Operating system access control
- Business continuity planning
- Security policy socialization
- Security audits

16.6.3 Third Party Vendors – Third party vendors that will have access to the Firm's systems or devices will be reviewed, prior to engagement, will be reviewed by the Third Party Governance Team utilizing the Vendor Intake Form to:

- Evaluate the vendor's cybersecurity safeguards;
- Include cybersecurity assurances in the Firm's contract with the third party.

16.6.4 Control of Access – Authorized personnel are issued passwords to access systems and records; these passwords are periodically changed. Passwords are disabled when an employee terminates or is no longer an authorized person.

16.6.5 Encryption of Data – Data regarding private customer information that is transmitted outside of Firm systems should be subject to encryption programs. Such data stored on laptops and other remote devices will also be encrypted.

16.6.6 Retirement of Equipment Containing Data – Computers or other data-retaining equipment that will be disposed of are subject to clearing of hard drives and other repositories of data prior to disposal. If a computer will be re-assigned to someone who is not authorized to view data stored on that computer, the hard drive will be cleared prior to reassignment. Flash drives and other portable data devices that will no longer be used or will be reassigned will be destroyed or cleared of all data prior to disposal or re-use.

16.6.7 Specific Information Security Requirements - For the purposes of this information, security requirements, the following words shall have the following meanings:

- "Protected Information" means personal information about a customer that he or she might consider private, including without limitation, their name (either first name or first initial, in combination with the person's last name), address, telephone number, email address, financial information, employment status, marital status, account (brokerage and/or banking) information, P.I.N. numbers and/or passwords.
- "Security Breach" means an incident of unauthorized access to a Customer's Protected Information, whether in electronic or written form, and whether the information is encrypted or not. A good faith but unauthorized acquisition of Protected Information by an affiliate working with an authorized user shall not be a Security Breach, provided there is no material risk of harm or inconvenience to the customer.

User IDs and Passwords

- Protect passwords and do not share them with anyone not authorized to receive the information.
- Passwords, on all National Life websites (and other websites to the extent the format is permissible) if used to access Protected Information, must be 12 characters long, and must contain at least three of the following:
    i. Letters (e.g., "A,B,C,D,E,F . . . ")
    ii. Numbers (e.g., "1, 2, 3,4,5,6. . .")
    iii. A mix of capital and lowercase letters (e.g., "A,b,C,d,E,f . . . ")
    iv. Symbols (e.g., "!,@,#,$,%,^ . . . .")
- *[Guideline Only]* Passwords should be changed every 90 days, and after changing it, you should not use the same password again for 180 days.
- If appropriate given the nature and size of your office, you must restrict access to Protected Information, so to limit access to Protected Information to those individuals who need the information to perform their job.
- If you store Protected Information in electronic format, the files must be password protected.
- Anytime you intend to leave your workstation for 30 minutes, you must log out of all password protected areas, and lock your workstation.
- Firm passwords must not be written down and left in a location easily accessible or visible to others, including both paper and digital formats on untagged (unsupported) devices. Passwords should not be stored in a web browser's password manager on an untagged device;
- Firm employees mush not leave themselves logged into an application or system where someone else can use their account without their knowledge; and
- An employee will immediately report a shared or compromised Firm password to Compliance and /or Information Security Officer as a reportable security incident.

Computer Protection

- Devices must be physically secured at all times to prevent the risk of theft or loss.
- Any device that is used to access or store Protected Information must be password protected.
- Any laptop that stores electronic files containing Personal Information must be encrypted.
- All personal computers (laptops and desktops), whether in the office or the home, which are or may be used for financial services business activities must have Firm acceptable and up to date anti-virus/anti-malware software and the security monitoring software, Entreda Unify Systems to protect customer information accessed and stored on your computer. The Firm permits the use of the anti-virus/antimalware software products identified by ICSA Labs, an independent, third party product assurance testing and certification provider (www.icsalabs.com).
- Laptops must be configured so they can only connect to one network at a time.

Email Security

- An IAR may only send Protected Information *via* email if it is encrypted.[9]
- For IARs using an email account on National Life's servers, technology is in place to automatically determine when Protected Information is contained in an email, and all such emails are encrypted. Nevertheless, if you are using a National Life email account and sending Protected Information in an email, it is recommended that you type "[PRIVATE]" in subject line (including the brackets), which will force the system to encrypt that specific email.

Local Area Network

- The following is required of all offices that use wireless networks.

[9] For IARs using an email account on National Life's servers, technology is in place to automatically determine when Protected Information is contained in an email, and all such emails are encrypted. Nevertheless, if you are using a National Life email account and sending Protected Information in an email, it is recommended that you type "[PRIVATE]" in subject line (including the brackets), which will force the system to encrypt that specific email.

  - A wireless router in an agency must have “Wi-Fi Protected Access” (a.k.a. “WPA” or “WPA-2”) encryption.
  - Identifier broadcasting, or any feature of a wireless router that transmits a signal to personal computers to promote the availability of a nearby wireless network, must be disabled.
  - The wireless network must be password protected, and if the wireless router comes with a default password, it must be changed.
  - IARs may not share wireless or wired internet service with individuals or a company not affiliated with National Life or ESI.
- If an IAR uses a wireless network on his or her home computer, and if Protected Information is viewed on the computer(s), then his or her wireless router(s) must be encrypted with WPA or WPA-2 encryption.

16.6.8 Cybersecurity Incident Response Process – ESI relies on National Life’s *Cybersecurity Incident Response Process*. RRs are to contact their supervisor if they have a cybersecurity incident. The supervisor notifies ESI Compliance who works with the *Cybersecurity Incident Response Team* within National Life.

The *Cybersecurity Incident Response Process* includes details on:

- Limiting access to affected systems or devices;
- Security Incident Roles and Responsibilities
- Objectives
- Process
- Identification of threat level
- Coordinators
- Approval process

If an intrusion is identified, the Team will coordinate the Firm's response which may include:

- Limiting access to affected systems or devices
- Diverting computer resources to a safe system
- Engaging a third party to process data until the Firm's system is safe
- Engaging a third party to assess the intrusion
- Assessing data loss and reviewing potentially impacted customer accounts
- Notifying the AML Compliance Officer and/or Chief Compliance Officer
- Notifying regulators and customers including filing of SARs
- Evaluating potential financial losses
- Taking corrective action to prevent a future intrusion
- Reporting fraud, where appropriate, to authorities including FINRA, the SEC, the FBI, the Internet Crime Complaint Center, and local state securities regulators.

Chapter 17 - Proxy Voting

17.1 Policy

EFA, as a matter of policy and practice, has no authority to vote proxies on behalf of advisory clients. The Firm may offer assistance as to proxy matters upon a client's request, but the client always retains the proxy voting responsibility.

A client may direct a designee to vote on their behalf. Such designee may not be affiliated with EFA.

17.2 Responsibility

The CCO has the responsibility for the implementation and monitoring of our registration policy, practices, disclosures and recordkeeping.

Questions regarding this policy or related procedures should be directed to SVP, Operations; or the CCO.

Chapter 18 - Registration

18.1 Policy

As a registered investment adviser, EFA maintains and renews its adviser registration on an annual basis through the Investment Adviser Registration Depository ("IARD"), for the Firm, state filings, as appropriate, and IARs. EFA's policy is to monitor and maintain all appropriate Firm and IAR registrations that may be required for providing advisory services to our clients in any location. EFA monitors the state residences of our advisory clients, and IARs will not provide advisory services unless appropriately registered as required.

Without proper registration or notification, the Firm cannot operate in a jurisdiction where it is not registered, where required, to conduct an investment management business, nor can its staff members operate in jurisdictions where they are required to be licensed or registered.

IARs must identify to Compliance all jurisdictions in which advisory services will be provided on behalf of the Firm. These persons and the services provided will be reviewed by Compliance for registration or other requirements.

18.2 Background

In accordance with the Advisers Act, and unless otherwise exempt from registration requirements, investment adviser firms are required to be registered either with the Securities and Exchange Commission (SEC) or with the state(s) in which the firm maintains a place of business and/or is otherwise required to register in accordance with each individual state(s) regulations and de minimis requirements. The registered investment adviser is required to maintain such registrations on an annual basis through the timely payment of renewal fees and filing of the firm's Annual Updating Amendment. Individuals providing advisory services on behalf of the firm are also required to maintain appropriate registration(s) in accordance with each state(s) regulations unless otherwise exempt from such registration requirements.

Unless exempt, an Employee meeting the definition of "investment adviser representative" must be properly registered in their state of residence (or any other state in which they have a place of business), before conducting business as an IAR. The CCO or his/her designee shall ensure that all Employees requiring registration as an "investment advisory representative" are appropriately registered, via Form U4 application. All information reported on an individual's Form U4 must be kept up to date. All registered Employees are responsible for notifying the Licensing Department within 30 days of such information becoming inaccurate. The Employee is responsible for ensuring updates are made to their Form U4, and as applicable, their Form ADV Part 2B Brochure Supplement.

The definition of IAR may vary on a state-by-state basis. Supervised persons providing advice on behalf of SEC-registered advisers are governed by the federal definition of IAR to determine whether or not state IAR registration is required. The IAR registration(s) must also be renewed on an annual basis through the timely payment of renewal fees.

18.3 Responsibility

The CCO has the responsibility for the implementation and monitoring of our registration policy, practices, disclosures and recordkeeping. Questions regarding this policy or related procedures should be directed to Compliance and Licensing or the CCO.

18.4 Procedure

EFA has adopted various procedures to implement the Firm's policy and reviews to monitor and ensure the Firm's policy is observed, implemented properly and amended or updated, as appropriate.

18.4.1 IAR Qualifications

Individuals who wish to affiliate with the Firm are subject to the examination requirements applicable to any jurisdiction in which they maintain a place of business from which advisory services are provided. Additionally, the Firm may, at its discretion, impose additional affiliation requirements.

18.4.2 IAR Registration

The Investment Advisers Act, not state law, controls when an employee of an investment adviser must be licensed by a state through the definition of "investment adviser representative" contained in the Act.

The Firm's Licensing Department is responsible for ensuring that IARs meet the state exam requirements, as applicable, and are properly registered with the appropriate state(s). Each IAR potentially must be licensed in all states where he or she has a "place of business". A "place of business" is:

- An office at which the adviser representative regularly provides advisory services, solicits, meets with, or otherwise communicates with clients; and
- Any other location that is held out to the general public as a location at which the adviser representative provides advisory services, solicits, meets with, or otherwise communicates with clients.

An IAR is considered to "hold himself out to the general public as having a location at which he or she conducts advisory business" by publishing information in a professional directory or a communication that identifies the location as one at which the adviser representative is or will be available to meet or communicate with clients.

18.4.2.1 State Registration Requirements – Upon receiving a request for affiliation with EFA, the Licensing Department is responsible for ensuring the individual meets the registration requirements for the appropriate state(s), and will communicate to the individual any unfulfilled requirements prior to executing an IAR contract.

18.4.2.2 Disclosure Review – The VP, Compliance and Licensing is responsible for vetting and identifying any disclosure information on existing IARs' Form U4 and that of any individual requesting affiliation with EFA which might adversely affect the Firm's disclosures on its Form ADV Part 1. Individuals whose Form U4 disclosures would result in an additional disclosure on the Firm's Form ADV Part 1 may, at the Firm's discretion, be denied affiliation with EFA. The Licensing Department will notify the agency of any such denial, and the terms for any possible future request for affiliation, if appropriate.

18.4.2.3 IAR Responsibilities – **IARs** must notify the Licensing Department in a timely manner of a change in:

- Job responsibilities that may affect his or her licensing status or requirements;
- Any change in home address, business address, addition/closing of a branch office; and
- Any matter which could result in a change to his or her disclosure history.

18.4.3 Sharing of Advisory Fees

Investment Advisor Representatives may split advisory fees with other EFA advisors if the other advisor meets the applicable registration requirements. Under no circumstances may an IAR receive any compensation from advisory business for which that advisor is NOT properly registered. In addition, any sharing of advisory-related compensation between advisors must be administered by the Firm.

Additionally, advisors must not share advisory fees, neither giving nor receiving, with advisors of other firms.

18.4.4 New Clients - Before soliciting or accepting business from **any** new client who is a natural person, the IAR must first have received approval to conduct advisory business in the state where the IAR has a place of business from the Firm's Licensing Department.

18.4.5 Obtaining Appropriate Licenses - Supervisors are responsible for contacting the Licensing Department upon the hiring of any new employee or when a current employee's duties have changed, which may cause such employee to be required to obtain an appropriate license. The Licensing Department is responsible for making the determination of whether such employees are

required to be licensed and, when applicable, will assist such employees in obtaining appropriate licenses.

18.4.6 Ongoing Monitoring of Existing Clients - Compliance monitors the places of business of its IARs on a periodic basis, and the Firm and/or its IARs will not provide advisory services unless appropriately registered in the state where the IAR has a place of business, or a de minimis or other exemption exists. Compliance will maintain copies of all required registrations as well as documentation of such reviews.

18.4.7 Retiring Branch Office Supervisor

The *ESI Retiring Branch Office Supervisor Override Agreement* is available to a Branch Office Supervisor ("BOS") who retires in good standing from ESI and National Life.

Upon retirement as a General Agent for National Life Group, eligible Branch Office Supervisors will qualify for a share of Qualified Overrides. "Qualified Overrides" includes all overrides:

- From broker dealer and investment advisory business generated by RRs who were supervised by the BOS.
- Generated by all clients of a RR, including clients acquired subsequent to the BOS's retirement.

To qualify for the Agreement, the retiring BOS:

- Must remain registered (both RR and IAR) to receive the Qualified Overrides.
- Will not have supervisory obligations.
- May not register with another firm.
- Must abide by all firm policies
- Complete all RR/IAR requirements (e.g. RR Annual Certification, Firm Element, Regulatory Element, Annual Compliance Meeting, OBAs, Private Securities Transactions, Code of Ethics Reporting, etc.).
- Must commit to assisting ESI and the successor BOS in the transition, as well as the retention of producers and clients, etc. Payments are conditional on Participant's "Good Will".

18.4.8 Termination of Prior Investment Adviser Affiliation

IARs who own their own RIA, and choose to transition their business to EFA, will have thirty (30) calendar days in which to reassign their existing advisory accounts and terminate their affiliation with the prior RIA. Exceptions to the transition timeline stated in this procedure may be granted, if warranted by individual circumstances. Requests for exception to this policy must be submitted to the Firm in writing, and require the written approval of the President/CEO or his/her delegate.

18.4.9 Terminated Representative

Within 30 days of notice of the successor IAR, the Operations Department will obtain a copy of the most recent Form ADV Part 2B for the successor IAR from the IAR's OnBase record, and mail the document to the affected client(s).

18.5 Investment Adviser Representative Continuing Education

Certain states have adopted North American Securities Administrators Association ("NASAA") model rule requiring continuing education ("CE") for IAR's registered in their jurisdiction. Annually, IARs registered in these jurisdictions will be required to meet their state's CE requirements. Individuals who maintain an IAR registration in multiple states will be in compliance if their home state has CE requirements that are at least as stringent as the model rule and the IAR is in compliance with their home state's requirements.

IARs are responsible for enrolling and completing IAR CE courses with an approved provider. Course providers are responsible for reporting completion directly to FINRA, which serves as NASAA's vendor for tracking. ESI does not enroll or track these courses.

IARs must attain 12 CE credits each calendar year to maintain their registration. A "credit" is a unit that has been designated by NASAA to be at least 50 minutes of educational instruction. The 12 credits must include

6 credits of Products and Practices and 6 credits of Ethics and Professional Responsibility. The rule does not allow for any carry forward of extra credit hours, nor does it allow for duplicate courses to be credited.

Individuals who fail to complete their CE before the prescribed deadline will be automatically designated as "CE Inactive". If an IAR remains CE inactive for 30 calendar days, their IAR registration may be terminated. Newly-registered IARs are exempt from the CE requirement for the remainder of the calendar year in which they register, and have until the end of the following calendar year to fulfill the requirement. Transferring IARs remain subject to the CE requirement regardless of at what point in the year they change firms.

For more details, please review NASAA's website (https://www.nasaa.org/industry-resources/investment-advisers/resources/) which includes frequently asked questions as well as an up-to-date list of states that adopted the NASAA model rule.

18.6 Outside Business Activities

IARs may, under certain circumstances, engage in outside business activities. IARs may not be an employee, independent contractor, sole proprietor, officer, director or partner of another business activity, *or* be compensated, *or* have the reasonable expectation of compensation, from any other business activity outside the scope of their relationship with ESI without prior written notice and approval from ESI. IARs and employees are required to disclose to the Firm, in writing, any outside business activities and obtain approval prior from Compliance to engaging in such activity. This policy applies to all IARs (or other relationships such as IARs acting as independent contractors registered with the Firm).

Approval will be granted on a case-by-case basis, subject to consideration of potential conflicts of interest, disclosure obligations, and any other relevant regulatory issues. EFA may not approve certain outside business activities because they may result in a conflict of interest, be adverse to the interests of the firm or its customers or present compliance issues under securities regulations.

18.6.1 Disclosable Activities

Outside business activities include a wide range of activities including but not limited to the following:

- Acting as an insurance agent, CPA, lawyer
- Serving in a fiduciary capacity (*e.g.,* trustee, power of attorney, attorney-in-fact, executor) for a family trust of an immediate family member
- Employment with an outside entity
- Acting as an independent contractor to an outside party
- Serving as an officer, director, or partner (including volunteer or unpaid positions)
- Acting as a finder
- Referring someone and receiving a referral fee
- Receiving other compensation for services rendered outside the scope of employment with the Firm
- Real estate activities, such as rental properties, investment properties, or leasing/renting land
- Home-based or small business enterprises
- Any volunteer or unpaid position where the employee or RR is handling funds such as:
    - Acting as a treasurer, accountant, or bookkeeper,
    - Voting on the disbursement of funds,
    - Making investment/insurance decisions,
    - Affecting transactions, or
    - Collecting money or fundraising for an entity.

Passive investment in a privately held company or entity is not generally considered an OBA; however, the registered person must submit a written disclosure of the proposed investment to the firm and receive written approval from the firm prior to making the investment.

Compensation may include salary, stock options or warrants, referral fees, barter, or providing of services or products as remuneration. Generally, remuneration consisting of anything of present or future value for services rendered may be considered compensation.

18.6.2 Prohibited Outside Business Activities

These prohibited outside business activities include, but are not limited to:

- Acting as a mortgage broker
- Acting as a life settlement or viatical agent
- Acting as a moderator or sponsor of a social networking site that focuses on investments or topics in the investment industry
- Selling or soliciting digital assets (including but not limited to cryptocurrencies, digital tokens, digital currencies, virtual assets, initial coin offerings, and consulting/education services relating to digital assets)
- Employment by or association with any company, association, or organization that would conflict with, or would be adverse to the interests of, with ESI

18.6.3 Outside Business Activities Review

Upon notification, Compliance will review the outside business activity. Additional information may be requested during the review process. The IAR or employee will be notified of the decision and a record of the notice will be retained in the IAR's file.

Compliance review will also include consideration to timely reporting. If it is determined that the IAR did not disclose their involvement in an outside business activity prior to engaging in the activity, the IAR may be subject to disciplinary action for late or non-disclosure of outside business activity.

An IAR may not participate in any business opportunity that comes to his or her attention as a result of his or her association with EFA or in which he or she knows that EFA might be expected to participate or have an interest, without disclosing all necessary facts to Compliance and obtaining written authorization to participate from the CCO.

If an IAR receives approval to engage in an outside business activity and subsequently becomes aware of a material conflict of interest that was not disclosed when the approval was granted, the conflict must be promptly brought to the attention of the CCO or his/her designee.

18.7 Borrowing From And Lending To Customers

No IAR may borrow from or lend to their own customers. This restriction does NOT apply when an IAR enters into a loan arrangement with:

- A family member (defined as parents; grandparents; in-laws; spouse; siblings; children; grandchildren; cousins; aunts or uncles; nieces or nephews; and any other person whom the IAR supports, directly or indirectly, to a material extent);
- A financial institution in the business of providing credit, financing, or loans AND where the terms of the lending arrangement are those that would also be available to the general public doing business with those institutions.

Chapter 19 - Regulatory Reporting

19.1 Policy

As a registered investment adviser with the SEC, or appropriate state(s), EFA's policy is to maintain the Firm's regulatory reporting requirements on an effective and good standing basis at all times. EFA also monitors, on an on-going and periodic basis, any regulatory filings or other matters that may require amendment or additional filings with the SEC and/or any states for the Firm and its associated persons.

19.2 Background

Form ADV serves as the Firm's Disclosure Document and is an adviser's registration document. Form ADV, therefore, provides information to the public and to regulators regarding an investment adviser. Regulations require that material changes to Form ADV be updated promptly and that Form ADV be updated annually.

Parts 1A and 2A of Form ADV and Part 3 (Form CRS) must be updated and filed electronically with the SEC on the IARD system within 90 days of EFA's fiscal year end. Form ADV must also be updated and re-filed promptly if any information in response to (i) Items 1 (Identifying Information), 3 (Form of Organization), 9 (Custody), or 11 (Disciplinary Disclosures) of Part 1A becomes inaccurate in any way, or (ii) Items 4 (Successions), 8 (Participation or Interest in Client Transactions) or 10 (Control Persons) of Part 1A becomes materially inaccurate, or (iii) information provided in Part 2A becomes materially inaccurate.

19.3 Responsibility

Compliance has the responsibility for the implementation and monitoring of our regulatory reporting policy, practices, disclosures and recordkeeping.

Questions regarding this policy or related procedures should be directed to the CCO.

19.4 Procedure

19.4.1 Amendments to Form ADV - EFA is responsible for maintaining the accuracy of information on its Form ADV. All personnel receiving a copy of this Manual should be aware of the contents of Form ADV and, specifically, all Form ADV Items that require EFA to file an amendment with the SEC to reflect changes in the information provided in response to such Items. In this regard, it is the responsibility of each employee to notify Compliance of any Form ADV responses which need to be amended. Material amendments to the Firm's Form ADV Parts 1, 2A/2A-Appendix 1, and Part 3 (Form CRS) should be reviewed within thirty (30) days of the notice for change being submitted to the Law and Compliance Departments. In the event that the requested changes cannot be approved by Compliance and/or the Law Department within the 30 day period, documentation should be maintained in the file evidencing the reasons. Form ADV amendments are currently made through IARD system (See "Registration"). The time required for filing depends on the nature of the amendment, as outlined below.

19.4.2 Interim Amendments – Compliance will "promptly" file an amendment to EFA's Form ADV Part 1 to reflect material changes in the Firm's required information provided in response to Items 1, 2, 3, 9 or 11 of Part 1. Promptly is not defined, but generally is understood to be within 30 business days of the change. Additionally, Compliance will file an amendment to EFA's Form ADV Parts 2A and/or 2A-Appendix 1 and Part 3 (Form CRS) when the information provided therein requires updating. Compliance will make the necessary changes to the Forms ADV Part 2A and/or 2A-Appendix 1 and Part 3 (Form CRS), and provide notification to the field and home office associates.

The CEO, SVP, Sales and Business Development (or designee), SVP, Operations are responsible for informing Compliance when changes to the above listed Items need to be made. Examples of the information provided in response to the Items listed above include:

- Name;
- Principal place of business;

- Location of books and records;
- Contact person;
- Organizational form;
- Violations of law/disciplinary events; and
- Policy with respect to custody of securities or funds.

Compliance will "promptly" file an amendment to EFA's Form ADV when the information previously disclosed in response to Items 4, 6, 8, or 10 of Part 1 becomes materially inaccurate. The CEO, SVP, Sales and Business Development (or designee); the SVP, Operations; the Director, Advisory Services and Sales; and Branch Office Supervisors are responsible for informing Compliance when EFA's responses to the above listed Items become materially inaccurate. Examples of information provided in response to the Items listed above include:

- Whether EFA has taken over the business of a registered adviser;
- Persons who control management or policies of EFA;
- Business activities;
- Participation or interest in client transactions; and
- Investment or brokerage discretion.

The CEO, SVP, Sales and Business Development (or designee); the SVP, Operations; the Director, Advisory Services and Sales; Vice President, Business Development, will notify Compliance of any changes to EFA's Form ADV Part 2A when the information provided therein becomes materially inaccurate. Compliance will make the necessary changes to the Form ADV Part 2A and provide notification to the field and home office associates.

19.4.3 Annual Amendments – The Vice President, Investment Adviser Compliance or designee will file with the SEC an annual amendment to EFA's Form ADV (comprised of Parts 1, 2A, 2A-Appendix 1, and Part 3 (Form CRS)) within 90 days of its fiscal year end. EFA's fiscal year end is December 31st. In the annual amendment, EFA is required to update each of its responses to the Items on Form ADV Part 1. In particular, the annual amendment confirms EFA's eligibility to continue to register with the SEC. Each Designated Business Unit leader and the EFA Management Committee is responsible for updating each of EFA's responses on Form ADV Part 1 and transmitting these updates to the Law and Compliance Departments for incorporation into the annual Form ADV filing. Upon incorporating these updates, the Vice President, Investment Adviser Compliance will circulate a revised Form ADV to the Law Dept. and the CCO for final review.

19.4.3.1 Calculation of Assets Under Management (AUM) – EFA is required to calculate its AUM for various regulatory reasons, including disclosure in Parts 1 and 2A of the Firm's Form ADV. The SEC and some state regulators have expressed concern over firms either intentionally, or inadvertently, inflating or understating their assets under management. In calculating RAUM, firms may only include the ***securities portfolios*** for which it provides ***continuous and regular supervisory or management services***. When calculating its AUM for purposes of reporting and disclosure in its Form ADV filings, EFA will count assets as being under management only if they are invested in one of its advised or co-advised programs. These programs include the following offerings:

- Assetmark (advisor model)
- ESI Directions
- ESI Illuminations
- Morningstar
- Saratoga Advisor Trust
- SEI

AUM will be calculated with an "as of" date reflecting the end of the Firm's most recently completed fiscal year.

19.4.3.2 Annual Update

At a minimum, the Firm will update its AUM as part of its Form ADV annual update filing. The Firm may choose to do so, as well, if it files an other-than-annual filing for a separate reason, and considers the change in assets as material.

19.4.4 Filing Amendments – Compliance is responsible for filing amendments to the Firm's Form ADV Part 1, Form ADV Parts 2A and/or 2A-Appendix 1, and Part 3 (Form CRS) via the Investment Adviser Registration Depository ("IARD").

Chapter 20 - Promoter Relationships

20.1 Policy

EFA, as a matter policy and practice, may compensate persons, i.e., individuals or entities, for the referral of advisory clients to the Firm provided appropriate disclosures and regulatory requirements are met.

20.2 Background

Under the SEC Marketing Rule (Rule 206(4)-1) and the rules adopted by various states, investment advisers may compensate persons, hereinafter referred to as "Promoters", who provide testimonials, endorsements, or otherwise recommend EFA's advisory services to current or potential clients if appropriate agreements exist, specific disclosures are made, and other conditions are met.

EFA has three types of promoter relationships:

a. *Solicitor Arrangements* – Agreement between an IAR and an individual appointed as a Solicitor on behalf of EFA. As a Solicitor for EFA, they may distribute literature describing the products and services offered by EFA; assist in the completion of applications, questionnaires, and related documents; introduce new clients to the IAR; and accompany clients who have been introduced to an IAR of EFA.
b. *Referrals/Leads* – Referral relationships that involve compensation, whether for referring or receiving referrals, must be approved in advance by Compliance. Referrals to IARs may not be based on attaining an appointment or making a sale. Those referring may introduce investors without further involvement in discussions and without giving advice on the investment's structure or suitability. Referral fees must be applied the same to all referrals. Qualifying leads is not permitted. Any advertising associated with a referral or lead program requires prior approval by the AGT.
c. *Lead Generation Services* – A lead service where the third party may set up appointments, provide a biography on behalf of the IAR, is finding the leads through advertising created by the third party, or is in any way interacting with prospects that may become clients. Lead generation services require prior approval by the AGT. Even if the lead generation service is approved, if the RR is providing any type of advertising or biographical information to the lead service for use with the public, including clients or prospects, this would require prior approval from AGT prior to engaging with the lead service or using/posting that advertising or biological information.

20.3 Responsibility

The CCO, or designee has the responsibility for the implementation and monitoring of our Promoter Relationship policy, practices, disclosures and recordkeeping. Questions regarding this policy or related procedures should be directed to Compliance.

20.4 Procedure

EFA has adopted various procedures to implement the Firm's policy and reviews to monitor and ensure the Firm's policies are observed, implemented and amended or updated, as appropriate, which include the following:

a. EFA's management has approved the Firm's Promoter Relationship policy.
b. Promoters (with the exception of Lead Generating Services), whether or not they are compensated by EFA or the IAR, will execute a Promoter Agreement with EFA and the IAR.
c. EFA has communicated to the field the need to have appropriate approvals and agreements in place when Promoters are used and has developed a process to determine when new Promoter relationships are established.
d. Compliance reviews and approves any Promoter Agreements including approval of the particular Promoter agreement(s), compensation arrangements, and related matters.
e. Compliance periodically monitors the Firm's Promoter Agreements to note any new or terminated relationships
f. Promoters certify that they are not subject to a disqualifying Commission action or disqualifying event. Additionally, Compliance conducts background reviews on Solicitor Arrangements.

20.4.1 Due Diligence – When the Firm's template Promoter Agreement is not used, prior to engaging in a Promoter agreement, Compliance must review and confirm that the Promoter agreement does not violate either the Advisers Act nor the Marketing Rule. As part of its vetting process, Compliance will review certain background information on prospective Promoters to determine whether or not any disqualifying events exist at the time of application.

20.4.2 Disclosure – Any Promoter must satisfy the following disclosure requirements when engaging in solicitation activities on behalf of EFA (which is included in the Promoter Agreement):

a. At the time of the referral, the promoter must provide a prospective client with disclosure of the following: (i) whether or not the Promoter is a current client of EFA; (ii) whether cash or non-cash compensation is being provided for the testimonial, endorsement, or solicitation; (iii) a brief statement of any material conflicts of interest on the part of the Promoter that results from their relationship with EFA; (iv) the material terms of any compensation arrangement, including a description of the compensation provided or to be provided, directly or indirectly, to them for the testimonial or endorsement; and (v) a description of any material conflicts of interest on the part of the person giving the testimonial or endorsement resulting from EFA's relationship with that person.
b. If the Promoter is affiliated with EFA (e.g., is a partner, officer, director, or employee of EFA or a partner, officer, director or employee of an entity which controls, is controlled by, or is under common control with EFA), the Promoter must inform the prospective client about their relationship with EFA.
c. Solicitors will certify, on an annual basis, that they remain in compliance with the Firm's requirements, and those of their respective state, for maintaining a promoter relationship.

20.4.3 Termination of a Promoter Agreement – A Promoter Agreement may be terminated by any party at any time by providing written notice to all other parties to the agreement.

20.4.3.1 Reasons for Termination – The Firm may terminate an existing Promoter arrangement for the following reasons:

a. The Firm observes that the individual no longer meets the requirements for acting as a Promoter;
b. The Firm is no longer associated with any accounts referred by the Solicitor;
c. The Solicitor receives no compensation from the Firm for 12 consecutive months; or
d. Any other reason which the Firm may determine as cause for terminating the Promoter Agreement.

20.4.3.2 Notification – Compliance will provide written notice to the Promoter, the associated IAR, and the appropriate Branch Office Supervisor announcing termination of the Promoter Agreement. Notice of the termination will be provided to the ESI Commissions area.

20.4.3.3 Record Maintenance - EFA will maintain records of Promoter Agreements for a period of five years following termination of the agreement.

20.4.4 State Regulations - Some states require that individuals who solicit business on behalf of an adviser be state licensed and registered. If a state has any licensing or registration requirements, a Solicitor/Promoter for EFA must comply with those requirements.

Chapter 21 - Supervision and Internal Controls

21.1 Policy

Pursuant to Section 203(e) of the Advisers Act, if an investment adviser fails to reasonably supervise an Employee or any other person subject to the adviser's supervision, and that person violates the Federal Securities Laws, then the SEC may censure, limit the activities of, or revoke the registration of the investment adviser. However, Section 203(e)(6) states that an investment adviser will not be deemed to have failed to reasonably supervise any person if the adviser:

- Established procedures, and a system for applying such procedures, that would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such other person; and
- Reasonably discharged the duties and obligations incumbent upon it by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

EFA's management recognizes its duty to supervise the actions of its Employees. Compliance with the policies and procedures contained in this Manual assists EFA's management in fulfilling its supervisory obligations. As appropriate, this Manual identifies the individuals who have supervisory authority over EFA's various activities. Employees who are unfamiliar with any activities, or who require assistance carrying out their duties, are expected to consult with an appropriate supervisor.

All Employees must comply with the letter, and the spirit, of this Manual, which includes the *Code of Ethics*, referenced in Chapter 2 and stated in Appendix A. Employees are expected to use good judgment, and to report any suspected violations of EFA's policies or the Federal Securities Laws to the CCO. EFA's CCO or his/her designee will investigate any suspected violations of the Federal Securities Laws or any weakness in EFA's compliance program and shall determine the appropriate remedial action or resolution.

EFA has adopted written policies and procedures which are designed to set standards and internal controls for the Firm, its employees, and its businesses and are also reasonably designed to detect and prevent any violations of regulatory requirements and the Firm's 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 the Firm's procedures, policies, high professional standards, or legal/regulatory requirements. This Manual has been prepared for the exclusive use of the Firm and its staff members, and is not for use by the general public. The Manual should be treated as confidential and may not be disclosed to third parties without the prior consent of Compliance.

21.2 Background

The SEC has adopted an anti-fraud rule titled Compliance Procedures and Practices (Rule 206(4)-7) under the Advisers Act requiring more formal compliance programs for all SEC-registered advisers. The Compliance Procedures and Practices rule makes it unlawful for a SEC-registered adviser to provide investment advice to clients unless the adviser:

a. adopts and implements written policies and procedures reasonably designed to prevent violations by the firm and its supervised persons;

b. reviews, at least annually, the adequacy and effectiveness of the policies and procedures;

c. designates a chief compliance officer who is responsible for administering the policies and procedures; and

d. maintains records of the policies and procedures and annual reviews.

Under Section 203(e)(6), the SEC is authorized to take action against an adviser or any associated person who has failed to supervise reasonably in an effort designed to prevent violations of the securities laws, rules and regulations. This section also provides that no person will be deemed to have failed to supervise reasonably provided:

a. there are established procedures and a system which would reasonably be expected to prevent any violations; and

b. such person has reasonably discharged his duties and obligations under the firm's procedures and system without reasonable cause to believe that the procedures and system were not being complied with.

21.3 Responsibility

Every employee has a responsibility for knowing and following the Firm's policies and procedures. Every person in a supervisory role is also responsible for those individuals under his/her supervision. The President has overall supervisory responsibility for the Firm.

The President of EFA has the primary responsibility for ensuring that the Adviser's business is conducted in compliance with all applicable laws and regulation and that the Adviser utilizes best practices of the asset management business. The President is responsible for ensuring that the CCO has the necessary competence and understanding of the Adviser's business to monitor its compliance function and meet the duties and responsibilities set out in the Manual. The President also has the following specific duties and responsibilities:

a. Emphasizing throughout EFA that compliance is every staff member's responsibility;

b. Ensuring that all relevant rules, policies and procedures designed to meet the Adviser's responsibilities have been adopted;

c. Communicating structural changes, new business ventures and compliance issues to the CCO for review;

d. Ensuring that appropriate resources are devoted to the Adviser's compliance function;

e. Continually reviewing and maintaining awareness of the Adviser's compliance matters; and

f. Taking whatever action is deemed necessary with respect to any staff member who has been found to have violated any applicable laws and/or Adviser policy or procedures.

21.3.1 Chief Compliance Officer (CCO) - The Adviser has designated a CCO who monitors EFA's overall compliance program and manages Compliance. The CCO, along with the President and senior managers, is the primary means of ensuring an adequate level of compliance by the Adviser. To discharge the compliance function the CCO monitors compliance by staff members, including Senior Management. The CCO must have unrestricted access to all information relating to the conduct of business, however confidential. The duties and responsibilities of the CCO and Compliance specifically include the following:

a. Ensuring that the Adviser's line of business is conducted in conformity with local law and regulation;

b. Interacting with local, state and federal regulatory authorities;

c. Developing, implementing and updating local compliance policies and procedures;

d. Ensuring that senior managers and staff members have been educated or trained with respect to the Adviser's compliance policies and procedures;

e. Obtaining and processing for EFA or its staff members any registrations or licensing required for the conduct of business;

f. Monitoring the activities of the Adviser in a proactive manner to detect breaches of compliance;

g. Conducting internal investigations and providing recommendations for corrective action;

h. Managing personal account trading procedures for staff members;

i. Ensuring that all marketing materials are approved by the Firm's authorized employees;

j. Interacting where required with other staff members from internal audit, risk management, legal and financial reporting functions;

k. Interacting and coordinating with other compliance staff members;

l. Reporting to the CEO.

The CCO shall keep the President informed of the compliance status of the Adviser and will report on the scope of testing and findings resulting from results of regulatory examinations; other compliance issues and corrective actions or recommendations; modifications to compliance procedures; and status and findings resulting from any internal examination programs.

The CCO has the overall responsibility for monitoring and testing compliance with EFA's policies and procedures. Possible violations of these policies or procedures will be documented and reported to the appropriate department manager for remedial action. Repeated violations, or violations that the Compliance Officer deems to be of serious nature, will be reported by the Compliance Officer directly to the CEO and/or the President and/or the Board of Directors.

The CCO reports to the President and National Life Counsel at least quarterly, but should immediately report any material breaches of compliance or commencement of any material enquiry, investigation or legal action by regulators or clients.

21.3.2 Senior Managers - Senior Managers are required to participate in the compliance function of the Adviser particularly with respect to those staff members that they supervise. Senior Managers have the following duties and responsibilities:

a. Maintaining staff member compliance with current policies and procedures and developing others where necessary;

b. Maintaining high levels of compliance awareness and education among staff members;

c. Identifying compliance issues and informing the CCO; and

d. Working with Compliance to assist in resolving issues, implementation of and tracking of corrective actions as directed.

21.3.3 Staff - All staff members are required to acknowledge their receipt, review and understanding of this Manual. Staff members are required to inform the CCO of compliance issues of which they become aware and to work with Compliance, President or Senior Manager in their resolution, if necessary. Staff members are expected to seek assistance from their Senior Manager or CCO for clarification of compliance responsibilities and regulations that are unclear to them.

A staff member must notify the CCO if he or she has any reason to believe that any information previously submitted to a regulator was inaccurate or misleading at the time it was submitted. Compliance is responsible for maintaining current organization charts reflecting names, titles, responsibilities and supervisory structure.

Section 203(e) of the Advisers Act imposes a statutory duty on the Adviser to supervise the activities of persons acting on its behalf. Therefore, it is the responsibility of each individual with managerial or supervisory responsibilities to ensure that on a day-to-day basis all of his or her staff adheres to the policies and procedures contained in this Manual, to act decisively to detect and prevent violations of the securities laws, and to respond vigorously when wrongdoing or possible indications of wrongdoing are brought to his or her attention. The Adviser's directors, officers and staff members may be sanctioned by the SEC for failure to supervise others.

Questions regarding this policy or related procedures should be directed to CEO; President; or the CCO.

21.4 Procedure

EFA has adopted various procedures to implement the Firm's policy, reviews and internal controls to monitor and ensure the Firm's supervision policy is observed, implemented properly and amended or updated, as appropriate which may be summarized as follows:

- Adoption and maintenance of a current organization chart reflecting names, titles, responsibilities and supervisory structure, which is maintained as a separate document.
- Designation of a CCO as responsible for implementing and monitoring the Firm's compliance policies and procedures.
- Written policies and procedures with statements of policy, designated persons responsible for the policy and procedures designed to implement and monitor the Firm's policy.
- Annual review of the Firm's policies and procedures by CCO and senior management so as to remain current, meet regulatory requirements and be consistent with the Firm's business. The Firm may also conduct a series of reviews throughout a twelve-month time period to permit appropriate time for comment and analysis.
- Maintaining appropriate records of the Firm's annual reviews and changes to the Firm's policies and procedures.
- Periodic reviews of key IAR activities.
- Periodic reviews of IARs' activities, e.g., personal trading.
- Annual training program for IARs and the Firm's employees.
- Annual written representations by IARs as to understanding and abiding by the Firm's policies.
- Supervisory reviews and sanctions for violations of the Firm's policies or regulatory requirements.

Chapter 22 - Trading

22.1 Policy

As an adviser and a fiduciary to our clients, our clients' interests must always be placed first and foremost, and our trading practices and procedures prohibit unfair trading practices and seek to disclose and avoid any actual or potential conflicts of interests or resolve such conflicts in the client's favor.

Our Firm has adopted the following policies and practices to meet the Firm's fiduciary responsibilities and to ensure our trading practices are fair to all clients and that no client or account is advantaged or disadvantaged over any other.

22.2 Background

Pursuant to SEC interpretations of the Investment Advisers Act of 1940, an investment adviser has a fiduciary obligation to obtain "best execution" of clients' transactions under the circumstances of the particular transaction. The adviser must consider the full range and quality of the broker's services in placing a trade with that broker, including, among other things, the value of research provided as well as execution capability, commission rate, financial responsibility, and responsiveness to the adviser. The determinative factor is not necessarily the lowest possible commission cost but whether the transaction represents the best qualitative execution for the managed account.

EFA and its advisory representatives offer brokerage services to advisory clients in order to execute certain transactions recommended within a financial plan, as well as the ESI Illuminations and Directions programs. Clients are free to execute securities transactions recommended as part of a financial plan through any broker-dealer they choose.

EFA generally has written agreements whereby clients agree that all brokerage transactions will be executed through NFS, unless otherwise directed by the client. EFA is also a registered broker dealer, doing business as Equity Services, Inc. ("ESI"). In executing trades through NFS, EFA may, in certain instances, forego seeking and obtaining more favorable prices and lower commission rates or other charges than EFA may otherwise be able to obtain by negotiating better prices or lower rates of commission with certain other broker-dealers. However, executing transactions through NFS may benefit clients when NFS aggregates client trades with orders from its other clients. This aggregation may provide savings on execution costs through volume discounts that EFA might not be able to negotiate or obtain for other clients who do not execute trades through NFS. EFA regularly reviews pricing and execution through the use of various reports received detailing comparative execution data. Such reports are periodically reviewed by senior management.

As a fiduciary, many conflicts of interest may arise in the trading activities on behalf of our clients, our Firm and our employees, and must be disclosed and resolved in the interests of the clients. In addition, securities laws, insider trading prohibitions and the Advisers Act, and rules thereunder, prohibit certain types of trading activities.

22.3 Responsibility

SVP, Operations has the responsibility for the implementation and monitoring of our trading policies and practices, disclosures and recordkeeping for the Firm.

Questions regarding this policy or related procedures should be directed to the SVP, Operations.

22.4 Procedure

EFA has adopted various procedures to implement the Firm's policy and reviews to monitor and ensure the Firm's trading policies are observed, implemented properly and amended or updated, which include the following:

22.4.1 Review of Trades – The SVP, Operations or designee is responsible for reviewing all trades placed by EFA post-execution to identify errors.

22.4.2 Trade Errors - As a fiduciary, EFA has the responsibility to effect orders correctly, promptly and in the best interests of our clients. In the event any error occurs in the handling of any client transactions, due to EFA's actions, or inaction, or actions of others, EFA's policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client or benefiting EFA in any way.

If the error is the responsibility of EFA, any client transaction will be corrected and EFA will be responsible for any client loss resulting from an inaccurate or erroneous order. In the event the error made in connection with a trade results in a profit for the client, the client will be made whole and the matter will be resolved fairly and equitably as to all affected clients.

EFA's policy and practice is to monitor and reconcile all trading activity, identify and resolve any trade errors promptly, document each trade error with appropriate supervisory approval and maintain a trade error file. A copy of such record will be maintained by the SVP, Operations or his/her designee.

22.4.2.1 Definition of a Trade Error – Trade errors may include the following:

a. A purchase/sale of securities not authorized by an account;
b. Transposition of an order (e.g. an order to buy/sell is communicated as an order to sell/buy);
c. Too many shares are purchased (or sold);
d. An order to buy/sell securities is entered at the wrong price (e.g. a trade is placed as a market order instead of a limit order);
e. A purchase/sale of an incorrect amount of securities
f. A purchase/sale of securities is made for the wrong or an unintended account;
g. An allocation of securities is made to the wrong or unintended account(s); or
h. Purchase or sale of the wrong securities.

22.4.2.2 Review of Trade Errors – In an effort to identify the sources and causes of errors, the SVP, Operations or designee will periodically review errors to seek to identify patterns of conduct that may warrant further action and document the review.

22.4.2.3 Client Notification – Notification of adjustments arising from material errors occurring in their account is sent to the client directly from NFS, subsequent to the correction.

22.4.2.4 Employee Training – The Operations Department will provide periodic training on EFA's error correction policy and procedures to appropriate personnel.

22.4.2.5 Prohibited Practices – The Firm will not use client assets, directly or indirectly, to correct any errors (e.g. using soft dollars to correct the error or crossing transactions that would not otherwise be done) unless the client is responsible for the error and Compliance has reviewed the error and approved the proposed method of correction in writing.

22.4.3 Transitioning Commissionable Sales to Advisory Accounts

In the event assets held in class C shares are transferred into an advisory account, such positions will be excluded from the associated advisory fee for the duration of the holding. For advisory accounts held directly with a third-party manager, Compliance conducts periodic reviews with a view to identify excludable assets. For advisory accounts held on the Firm's brokerage platform, the Envestnet system automatically identifies such positions and excludes them from billing.

22.5 Use of Discretionary Trading Authority

22.5.1 Restrictions

The following securities may not be purchased in Advisor-as-Portfolio Manager programs (i.e. Flagship Select, ESI Directions or ESI Compass):

- Class B or Class C shares in mutual funds,
- Private placements,
- Penny/pink sheet/OTC stocks,
- Non-ADR international stocks,

- Securities restricted by the Firm
- Options (with the exception of covered calls) or derivatives,
- Non-publicly traded alternative investments,
- Assets outside of brokerage accounts.

22.5.2 Monitoring Process

On a quarterly basis, Compliance will review discretionary trades in the Firm's Advisor-as-Portfolio Manager programs to ensure such activity conforms to the Firm's policies.

22.5.3 Reasonable Restrictions

Consistent with the safe harbor offered in Rule 3a-4 of the Investment Company Act, when exercising discretionary trading authority, IARs will honor reasonable restrictions placed by a client on their account(s).

22.5.4 Trade Allocation

EFA does not engage in block trading in customer accounts.

22.6 Margin

EFA does not permit the use of margin in its Advisor-as-Portfolio Manager programs.

22.7 Documentation of Investment Research

IARs participating in the Firm's Advisor-as-Portfolio Manager programs are required to maintain research related to securities bought and sold in their model portfolios. Research materials should reflect reliable industry sources and be sufficient to support the specific recommendations executed in the portfolio(s). Effective 6/1/2023, research must be maintained in Docupace.

22.8 Digital Assets

Digital assets such as cryptocurrencies and initial coin offerings (ICOs) generally share the following features:

- A virtual currency or virtual token or coin is a digital representation of value that can be digitally traded and functions as a medium of exchange, unit of account, or store of value;
- A virtual currency exchange is a person or entity that exchanges virtual currency for fiat currency, funds, or other forms of virtual currency. Exchanges typically charge fees, and secondary trading may occur. These exchanges may not be registered securities exchanges or alternative trading systems subject to federal securities laws.
- Virtual tokens or coins may be issued by a virtual organization or other capital-raising entity;
- Digital assets may or may not be considered securities or commodities products, and may be unregulated;
- Digital assets are highly speculative, considering the lack of real markets and transparency.

ESI's brokerage trading platform, provided by NFS, does not support the trading of digital assets. If, in the future, NFS changes its position with respect to permitting such activity, ESI will not permit trading of digital assets in client accounts until such activity has been evaluated and approved by the Firm's Investment Committee.

22.9 Accounts for Marijuana-Related Businesses and Associated Individuals

Because of federal laws governing the use and sale of marijuana and anti-money laundering regulations about making transactions involving proceeds from federally prohibited businesses, the Firm does not allow the opening of accounts for:

- marijuana businesses; or
- customers who, if known by the Firm or the RR, derive their income from marijuana businesses.

Chapter 23 - Wrap Fee Sponsor

23.1 Policy

EFA co-sponsors a wrap fee program and is compensated in the program for co-sponsoring, organizing or administering the program, or for selecting, or providing advice to clients regarding the selection of other investment advisers in the program. In a wrap fee program, internal expenses, trading costs, and other administrative expenses are included in the total fee paid by the client.

Clients in ESI Directions and those who open ESI Illuminations Select accounts on or after February 15, 2021 receive the Firm's corresponding Form ADV Part 2A-Appendix 1. Envestnet Portfolio Solutions provides the technology platform on which the Firm's wrap fee programs function and provides asset management services to certain programs available through the ESI Illuminations platform.

23.2 Background

Wrap accounts provide portfolio management services for a single fee, based on assets under management, which includes investment advisory, brokerage, and other services, including custody and performance review. Clients may choose to utilize the services of professional discretionary managers or to have their investment adviser representative create and manage their portfolio.

Because clients in wrap programs often receive the same investment advice and may hold the same or substantially similar securities in their accounts, wrap accounts could appear to be operated as an unregistered fund. However, Rule 3a-4 under the Investment Company Act provides wrap programs using discretion a safe harbor from registration as a fund. This safe harbor, set out below, is designed to ensure that clients receive individualized attention.

23.3 Responsibility

The CCO, or designee has the responsibility for the implementation and monitoring of our wrap fee policy, practices, disclosures and recordkeeping. Questions regarding this policy or related procedures should be directed to the CCO.

23.4 Procedure

23.4.1 Manage Based on Client's Needs - Each client's account in the programs must be managed on the basis of the client's financial situation and investment objectives and in accordance with any client-imposed reasonable investment restrictions. To accomplish this, the following tasks must be completed:

a. **At the opening of the account,** EFA (or another person designated by EFA, such as the IAR) obtains information from the client on the client's financial situation and investment objectives, and gives the client the opportunity to impose reasonable investment restrictions on its account;[10]
   i. If the program is on the ESI Illuminations platform, EFA gives the client the agreement, EFA's Form ADV 2A-Appendix 1 (ESI Illuminations), Envestnet's Form ADV Part 2A, the manager(s) Form ADV Part 2A, and the manager's and sponsor's privacy policies and proxy voting policies.
   ii. If the program is ESI Directions or ESI Compass, EFA gives the client the agreement, the corresponding version of EFA's Form ADV Part 2A-Appendix 1, Envestnet's Form ADV Part 2A, Envestnet's Privacy Policy, and EFA's Privacy Policy.

b. **At least annually**, EFA, through its IAR, contacts the client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose any reasonable investment restrictions or reasonably modify existing restrictions. See *ANNUAL REVIEW PROCESS* for details;

c. **At least quarterly**, EFA notifies the client in writing to contact their IAR, if there have been any changes in the client's financial situation or investment objectives, or if the client wishes to impose

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any reasonable investment restrictions or reasonably modify existing restrictions and tells the client how to contact the sponsor (this can be done via a notice on an account statement). This is currently located on the quarterly performance reports generated by Envestnet.

23.4.2 Reasonable Investment Restrictions – Clients can impose reasonable investment restrictions on their accounts, including designating particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account. Appropriate personnel review new client account documentation to ensure that clients have been offered the opportunity to impose reasonable investment restrictions on their accounts. Clients do not have the right to require that particular securities or types of securities be purchased for the account.

23.4.3 Quarterly Statements – Each client is provided with a statement, at least quarterly, describing all activity in the client's account during the preceding period, including all transactions made on behalf of the account, all contributions and withdrawals made by the client, all fees and expenses charged to the account, and the value of the account at the beginning and end of the period.

23.4.4 Client Rights – Each client retains, for all securities and funds in the account, to the same extent as if the client held the securities and funds outside the program, the right to:

a. Withdraw securities or cash.
b. Vote securities, or delegate the authority to vote securities to another person.
c. Be provided in a timely manner with a written confirmation or other notification of each securities transaction, and all other documents required by law to be provided to security holder.
d. Proceed directly as a security holder against the issuer of any security in the client's account and not be obligated to join any person involved in the operation of the wrap program, or any other client of the program, as a condition precedent to initiating such proceeding.

23.4.5 Annual Reviews – The Branch Office Supervisor monitors its IARs to ensure they are conducting annual reviews with clients.

23.4.6 Disclosure – Compliance annually will review the ADV 2A-Appendix 1 (Wrap Fee Disclosure Brochures), and Form ADV Part 2A for EFA, and make amendments as appropriate to maintain and ensure the Firm's disclosures and documents are accurate and current.

Chapter 24 - Compliance

24.1 Policy

As a SEC registered adviser, it is EFA's policy to conduct an annual review of the Firm's policies and procedures to determine that they are adequate, current and effective in view of the Firm's businesses, practices, advisory services, and current regulatory requirements. Our policy includes amending or updating the Firm's policies and procedures to reflect any changes in the Firm's activities, personnel, or regulatory developments, among other things, either as part of the Firm's annual review, or more frequently, as may be appropriate, and to maintain relevant records of the annual reviews.

24.2 Background

In December 2003, the SEC adopted Rule 206(4)-7, Compliance Programs of Investment Companies and Investment Advisers (Compliance Program Rule) under the Advisers Act and Investment Company Act, (SEC Release Nos. IA - 2204 and IC-26299). The rules require SEC registered advisers and investment companies to adopt and implement written policies and procedures designed to detect and prevent violations of the federal securities laws. The rules are also designed to protect investors by ensuring all funds and advisers have internal programs to enhance compliance with the federal securities laws. Among other things, the rules require that advisers and investment companies annually review their policies and procedures for their adequacy and effectiveness and maintain records of the reviews. A CCO must also be designated by advisers and investment companies to be responsible for administering the compliance policies, procedures and the annual reviews.

The required reviews are to consider any changes in the adviser's or fund's activities, any compliance matters that have occurred in the past year and any new regulatory requirements or developments, among other things. Appropriate revisions of a firm's or fund's policies or procedures should be made to help ensure that the policies and procedures are adequate and effective.

24.3 Responsibility

The CCO has the overall responsibility and authority to develop and implement the Firm's compliance policies and procedures and to conduct an annual review to determine their adequacy and effectiveness in detecting and preventing violations of the Firm's policies, procedures or federal securities laws. The CCO also has the responsibility for maintaining relevant records regarding the policies and procedures and documenting the annual reviews.

Questions regarding this policy or related procedures should be directed to the CCO.

24.4 Procedure

EFA has adopted procedures to implement the Firm's policy and reviews to monitor and ensure the Firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

24.4.1 Annual Review - On at least an annual basis, the CCO, and such other persons as may be designated, will undertake a review of all EFA's written compliance policies and procedures.

24.4.2 Content - The review will include a review of each policy to determine if the policies and procedures:

a. Appear to be reasonably designed to prevent EFA from violating federal securities laws, including the Advisers Act;

b. Are clear and understandable;

c. Accurately reflect the current regulatory requirements;

d. Identify appropriate persons responsible for compliance and the monitoring of compliance;

e. Appear to be reasonably designed to prevent violations of the federal securities laws, including the Advisers Act;

f. Require documentation of compliance monitoring;

g. Require that violations be reported to the CCO or other appropriate person;

h. Require records relating to the policy and procedures be maintained; and

i. Require updating or other amendments.

24.4.3 Adequate Policies - The CCO or designee(s) will coordinate the review of policies with an appropriate person, department manager, management person or officer to ensure that the Firm's policies and procedures are adequate and appropriate for the business activity covered.

24.4.4 Updates - The CCO or designee(s) will revise or update any of the Firm's policies and/or procedures as necessary or appropriate and will review with the person, department manager, management person or officer responsible for a particular activity as part of the review.

24.4.5 Approval - The CCO will obtain the approval of the Firm's compliance policies and procedures from the appropriate senior management person or officer, or President.

24.4.6 Review of Prior Violations - The Firm's annual reviews will include a review of any prior violations or issues under any of the Firm's policies or procedures with any revisions or amendments to the policy or procedures designed to address such violations or issues to help avoid similar violations or issues in the future.

24.4.7 Annual Report – An annual compliance report shall be a written document divided into the following sections or cover the following areas:

- Purpose of the annual review and the dates of review period;
- Overview of the Firm's compliance program;
- Brief summaries of key policies and procedures;
- Evidence of conducting the annual review including a summary of the testing and verification process;
- Important testing recommendations and compliance matters that occurred during the year;
- Updates to testing recommendations and compliance matters that arose during the previous year;
- SEC and other regulatory examinations and requests ; and
- Complaints and regulatory inquiries.

24.4.8 Maintenance - The CCO or designee(s) will maintain records of the Firm's policies and procedures in effect at any particular time during the required retention period.

24.4.9 Annual Review - The CCO or designee(s) will also maintain an Annual Compliance Review file for each year which will include the annual report and reflect any revisions, changes, updates, and materials supporting such changes and approvals, of any of the Firm's policies and/or procedures.

24.4.10 Additional Review - The CCO or designee(s) will also conduct more frequent reviews of EFA's policies or procedures, or any specific policy or procedure, in the event of any change in personnel, business activities, regulatory requirements or developments, or other circumstances requiring a revision or update.

24.4.11 Risk Assessment - The CCO or designee(s) will conduct a Risk Assessment at least annually based on the Firm's activities, new regulations and other relevant factors.

Chapter 25 - Acting as Solicitor for Third Party Money Managers

25.1 Policy

EFA may refer its clients to third party money managers, such as affiliated or unaffiliated registered investment advisers and trust companies. These referrals generally result in a portion of the advisory fee charged to the client being paid to EFA and its IARs.

25.2 Background

Under the SEC Marketing Rule (Rule 206(4)-1), and relevant rules adopted by most states, investment advisers may compensate persons who solicit advisory clients for a firm if appropriate agreements exist, specific disclosures are made, and other conditions are met under the rule. Individuals who solicit advisory business on behalf of an adviser are generally referred to as "Promoters". The term "client" includes any prospective client.

25.3 Responsibility

IARs are responsible for making suitable recommendations of third-party money managers and delivering the appropriate disclosure document.

The Chief Compliance Officer, or designee, is responsible for the implementation and monitoring of EFA's policies, practices, disclosures with respect to referrals made to third-party money managers.

SVP, Sales and Business Development, or designee, is responsible for conducting due diligence of third-party money managers to which EFA is considering making referrals, and to which EFA currently makes referrals. The SVP, Sales and Business Development or designee is responsible for maintaining records of the referral agreements with third-party money managers. The SVP, Sales and Business Development or designee is responsible to obtain approval from the Investment Committee for any new solicitor arrangements in which EFA refers potential clients to a third-party money manager.

Questions regarding this policy or related procedures should be directed to SVP, Sales and Business Development (or designee) or the CCO.

25.4 Procedure

EFA has adopted the following procedures to implement the Firm's policy, and reviews to monitor and ensure the Firm's policy is observed, properly implemented, and amended or updated, as appropriate, which include the following:

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25.4.1 Written Agreement - EFA must enter into a written agreement with the third-party money manager. The written agreement must contain:

a. A description of the solicitation activities to be engaged in by EFA and the compensation to be received;

b. An undertaking by EFA to perform its duties under the agreement consistent with the Advisers Act and the third-party money manager's instructions; and

c. A statement that EFA, when referring clients to the third-party money manager, will provide the client with (i) a current copy of the third party money manager's Form ADV Part 2 (or Brochure), and (ii) a separate written disclosure document that conforms with the requirements of SEC Rule 206(4)-1

A copy of each signed written agreement will be maintained in OnBase.

25.4.2 Approval of Solicitor Agreements - A representative of Compliance must review all solicitation arrangements and confirm that the solicitation agreement does not violate either the Advisers Act nor the Marketing Rule.

25.4.3 Review - The Investment Committee must review and approve all solicitation arrangements based on the due diligence conducted by the firm and the compliance review of the solicitation agreement.

25.4.4 Disclosure – The IAR must provide a prospective client with the following materials:

a. The third party money manager's disclosure materials;

b. At the time of the solicitation: (i) whether or not they are a current client of the third-party money manager, (ii) whether cash or non-cash compensation is being provided for the solicitation, (iii) a brief statement of any material conflicts of interest on the part of EFA and/or the IAR that results from their relationship with the third-party money manager, (iv) the material terms of any compensation arrangement, including a description of the compensation provided or to be provided, directly or indirectly to them for the referral, and (v) a description of any material conflicts of interest on the part of EFA and/or the IAR giving the referral resulting from the third-party money manager's relationship with either EFA or the IAR.

c. If EFA is affiliated with the third-party money manager (e.g., is a partner, officer, director, or employee of EFA or a partner, officer, director or employee of an entity which controls, is controlled by, or is under common control with EFA), EFA must provide the prospective client information about its relationship with the third-party money manager.

25.4.5 Investment Advice to Third-Party Referrals - IARs may not provide investment advice to any account which has been referred to a third-party money manager under a solicitor arrangement.

25.4.6 Changes to Client Accounts - Because the investor has not entered into an investment advisory agreement with the IAR, IARs may not make changes to a client's account managed by a third-party money manager under a solicitor arrangement. Specifically, IARs may not change the address of record, direct distributions/withdrawals, or redirect account statements from such accounts. Only the investor or the investor's authorized representative, which may not be the IAR, may make such changes (unless it is the IAR's own account or an account of an immediate family member). In no instance should an IAR change an investor's account address to an address under the IAR's control, have statements redirected to an address under the IAR's control, or take receipt of distributions/withdrawals from an investor's accounts (unless it is the IAR's own account or an account of an immediate family member).

25.4.7 Referrals - IARs may only refer clients to third-party money managers that have been approved by EFA.

25.4.8 Due Diligence - SVP, Sales and Business Development or designee, conducts due diligence on new third parties to which EFA will be making referrals and approves of any such arrangements. Documents to be included in such due diligence review include copies of the money manager's Form ADV Parts 1 and 2 (if a registered investment adviser), the client agreement, and the solicitor disclosure statements that will be utilized, performance, investment philosophy and fees charged to clients. Evidence of the due diligence conducted, the materials reviewed, and the date of approval shall be maintained.

25.4.9 Form ADV Parts 1 and 2A - SVP, Sales and Business Development or designee, shall annually review updated Form ADV Parts 1 and 2A of the third -party money managers (if a registered investment adviser), the client agreement, solicitor disclosure statements, performance, investment philosophy and fees charged to clients and any substantive changes to the above. Evidence of such monitoring shall be maintained by the SVP, Sales and Business Development or designee. The SVP, Sales and Business Development or designee is responsible to obtain annual approval from the Investment Committee for existing third-party money manager solicitor arrangements.

25.4.10 Monitoring Third-Party Asset Managers - The CCO, or designee, periodically monitors the firm's records with respect to third-party money manager solicitor arrangements to help ensure the proper records are being maintained and the firm's procedures are being followed.

Chapter 26 - Affiliates – Identifying and Dealing With

26.1 Policy

Various provisions of the Advisers Act either prohibit or restrict the ability of an adviser to engage in transactions with its clients. In addition, the SEC generally believes that it is improper for an adviser to use an "affiliate" to engage in a transaction with a client if the adviser itself is prohibited from engaging in that transaction. The term "affiliate" of EFA includes all entities controlling, controlled by or under common control with EFA (e.g., Sentinel Financial Services Company), all of EFA's officers, partners, or directors (or any person performing similar functions) and all of EFA's current employees (other than employees performing only clerical, administrative, support or similar functions).

A number of items in Form ADV require disclosure about practices that may present a conflict because an affiliate of the adviser is involved in the practice, such as the use of an affiliated broker-dealer to execute client transactions. These provisions generally are designed to ensure that an adviser does not place its own or its affiliates' interests above those of its clients. To prevent violations of these provisions, EFA must be able to identify promptly and accurately its affiliated persons.

26.2 Background

EFA's policy and procedures require it to (i) identify its affiliates, (ii) make disclosure about affiliates in Form ADV as required, (iii) on an ongoing basis, monitor for affiliated relationships, and (iv) ensure that clients do not engage in transactions with affiliates except in compliance with applicable requirements, including disclosure requirements.

26.3 Responsibility

The CCO is responsible for administering the procedures described below for monitoring for and dealing with affiliates. Questions regarding this policy or related procedures should be directed to the CCO.

26.4 Procedures

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy:

26.4.1 Identifying Affiliates – Compliance is responsible for monitoring the affiliated entities of EFA, which will be identified on the "EFA Affiliated Entities List." Compliance will identify EFA's "upstream affiliates" (entities or persons that own 5% or more of EFA) through an annual review of EFA's Form ADV Part 1. Compliance will be responsible for communicating with other EFA business units on an ongoing basis to identify newly-formed or otherwise affiliated entities.

26.4.2 Form ADV Disclosure - As applicable, Compliance will make sure that any required disclosures are made about EFA's affiliates, trading arrangements with EFA's affiliates, whether custody of client funds or securities are held by EFA's affiliates, whether EFA uses an affiliated sub-adviser, and direct and indirect owners and executive officers of EFA.

26.4.3 Monitoring Affiliates – Compliance will maintain and periodically distribute to appropriate business unit leaders the EFA Affiliated Entities List. Identification of affiliates is an important part of various EFA policies and procedures. EFA's duty to monitor its affiliates is also an important aspect of EFA's policy and procedures with respect to "Conflicts of Interest".

26.4.4 Periodic Review by Appropriate Business Unit Leaders – The appropriate business unit leaders will periodically review the EFA Affiliated Entities List to identify whether they may be engaging in any additional transactions with an affiliate and, if so, they should notify and consult with Compliance promptly.

26.4.5 Quarterly EFA Senior Management Committee Review - At the quarterly committee meeting, appropriate business unit leaders and representatives of Compliance will review the current EFA Affiliated Entities List and discuss whether any changes need to be made to the List and whether

any additional business activities or transactions with affiliates are being contemplated over the next quarter.

26.4.6 Annual Review by Law Department – In connection with the annual review of these procedures, the National Life Group Corporate Secretary will notify Compliance of any changes to the corporate affiliates.

Chapter 27 - Conflicts of Interest

27.1 Policy

Under the Advisers Act, EFA has a duty to make full and fair disclosure to clients, particularly where it may have a material conflict of interest. Potential conflicts of interest that trigger such disclosure include dealings with affiliates, the receipt of compensation from third parties that may affect the adviser's advice, an adviser's financial interest in a transaction (for example, acting as a principal), client referral arrangements, and personal and proprietary trading by the adviser and its employees. The nature and amount of disclosure that EFA should make in any such situation will depend on the facts and circumstances of each case, including the materiality of the conflict, though the disclosure obligation in such situations is broader than that under normal circumstances. Underlying this duty is the common law notion that a fiduciary must disclose when its interests may be in material conflict with those of its client so that the client may make a fully informed evaluation of the adviser.

Potential conflicts of interest may exist between EFA and its advisory clients under certain circumstances in which EFA and/or its affiliates provide services to clients. To the extent such potential conflicts exist, EFA generally will only engage in the activity giving rise to the conflicts if it is permissible under applicable regulatory requirements and/or if it first obtains the client's informed consent. Again, in such circumstances, EFA must make full disclosure to the advisory client, through its Form ADV or otherwise, as by contract or similar document.

Sections 206(1) and 206(2) of the Advisers Act address conflicts of interest which may arise in an investment advisory relationship, even though the conflicts may not specifically involve prohibited activities. Examples of potential conflicts of interest, and the higher standard of disclosure to which they are subject, include:

a. **Interest in Transaction -** When an adviser or an affiliate of the adviser has an interest (e.g., selling commissions, etc.) in an investment being recommended, the extent of the adviser's interest must be disclosed;

b. **Affiliated Broker -** When an adviser recommends that clients effect transactions through its broker-dealer affiliates, the extent of all adverse interests, including the amount of any compensation the adviser will receive from its employer in connection with the transactions, should be disclosed;

c. **Proprietary Trading -** When an adviser or an affiliate will be buying or selling the same securities as a client, the client should be informed of this fact and also whether the adviser (or the affiliate) is or may be taking a position inconsistent with the client's position; and

d. **Referrals -** When an adviser or related party compensates a third party for referring a client, the material terms of the arrangement must be disclosed to, and acknowledged, by the client.

27.2 Responsibility

Compliance along with the appropriate business unit leaders are responsible for implementing the procedures as described below. Questions regarding this policy or related procedures should be directed to the CCO.

27.3 Procedure

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy:

27.3.1 Business Unit Leaders – On a continuous basis, business unit leaders are responsible for understanding and reviewing the activities and transactions of their business unit that may give rise to conflicts of interest between EFA and its clients. Business unit leaders that become aware of activities and transactions that present areas of concern about conflicts of interest shall notify and consult with the Law Department promptly.

27.3.2 Determination of Conflicts – Compliance, in consultation with the Law Department, will determine whether a particular area of EFA's business gives rise to conflicts of interest between EFA and its clients.

27.3.3 Addressing Conflicts of Interest – As necessary, Compliance is responsible for developing separate policies and procedures to address all new EFA conflicts of interest.

27.3.4 Affiliated Brokerage Arrangements – ESI is a registered broker-dealer and may effect securities transactions for its advisory clients in its capacity as such. To address the potential risks associated with this, EFA has adopted the following policy and procedures:

a. **Best Execution** – ESI's execution of portfolio transactions in its capacity as a broker-dealer shall at all times be subject to its duty to seek "best execution under the circumstances" for the client.

b. **Trading Costs** – On an annual basis, EFA will compare the cost of trades it executes with industry averages as determined by an independent source.

c. **Affiliated Brokerage Arrangement Disclosure** – Compliance is responsible for ensuring that EFA makes appropriate disclosure in its Form ADV regarding execution of client transactions in its capacity as a broker-dealer.

Chapter 28 - Agency Cross Transactions

28.1 Policy

EFA's policy and practice is that EFA's standard client contract does not cover agency cross transactions. If EFA wishes to engage in these transactions, it must consult the Law Department and obtain the client's consent (see below).

28.2 Background

Section 206(3) of the Advisers Act generally prohibits EFA, acting as a broker for a person other than an advisory client, from knowingly selling or purchasing any security for the client's account without written notice to the client, and client consent before the completion of each separate transaction. However, Rule 206(3)-2 permits EFA (or an affiliate) to act as a broker in agency cross transactions, provided that EFA obtains prospective consent from the client for these transactions, makes certain disclosures to clients, and complies with other conditions in the rule.

28.3 Agency Cross Transactions Defined (Rule 206(3)-2) - Where EFA or an affiliate acts as broker to both an advisory client and the other side of the transaction, EFA, or an affiliate, acting as broker for a person other than its client, cannot buy any security for its client or sell any security to its client, except in compliance with the requirements of Rule 206(3)-2. EFA may not enter into an agency cross transaction if EFA or an affiliate has recommended the transaction to both the seller and the purchaser.

28.4 Responsibility

Compliance along with the appropriate business unit leaders is responsible for implementing the procedures as described below. Questions regarding this policy or related procedures should be directed to the CCO.

28.5 Procedure

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy, if the Firm were to engage in agency cross-transactions:

28.5.1 Prior Approval – Appropriate business unit leaders must inform Compliance prior to engaging in an agency cross trade. Compliance will review the proposed transaction and notify the Unit leader if such transaction is authorized.

28.5.2 Client Authorization - The client must prospectively authorize agency cross transactions in writing, which consent is obtained after EFA has disclosed in writing the capacity in which it is acting and the potential conflict that may result due to a division of loyalty. This can be done by a contract amendment signed by EFA and the client.

28.5.3 Confirmation - EFA will send to the client at or before the completion of each agency cross transaction a confirmation containing the nature of the trade, the date, an offer to furnish the time of the trade, and the source of any other remuneration received as a result of the trade.

28.5.4 Annual Written Summary - EFA will send to the client an annual written summary of all agency cross transactions identifying the total number of agency cross transactions and the total amount of all commissions or other remuneration received by EFA.

28.5.5 Cancellation of Authorization - EFA will include a legend on each statement disclosing that the client's authorization may be canceled at any time.

28.5.6 Disclosure – Compliance is responsible for ensuring that EFA makes appropriate disclosure regarding agency cross transactions in EFA's Form ADV.

Chapter 29 - Disciplinary Matters

29.1 Policy

EFA must disclose information about its disciplinary history, and that of its advisory affiliates, in Form ADV, and the Advisers Act authorizes the SEC to deny an application for registration or to revoke an existing registration if a registrant has engaged in disabling conduct. In addition, the SEC can prohibit persons who have engaged in disabling conduct (as defined in the Advisers Act) from being associated persons of EFA. These provisions are designed to prevent persons with a history of improper behavior from obtaining positions in an industry where fiduciary obligations are paramount.

29.2 Responsibility

Compliance along with the appropriate business unit leaders is responsible for implementing the procedures as described below.

Questions regarding this policy or related procedures should be directed to the CCO.

29.3 Procedure

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy:

29.3.1 New Employees and IARs – Appropriate business unit leaders are responsible for informing Compliance upon the hiring of a new employee. Upon notification, the Licensing Department will send or instruct the new employee how to complete the Form U4 (for IARs) or a certification form (for non-registered employees) to disclose the disciplinary history of the employee. The appropriate business unit leaders are responsible for ensuring that each new employee/IAR completes the Form U4 in a timely manner.

29.3.2 Current Employees and IARs – It is the responsibility of each EFA and IAR employee to report immediately to Compliance any disciplinary matter concerning such person or any matter that seems reasonably likely to result in a disciplinary matter. Compliance will be responsible for determining what steps may be appropriate in light of this disclosure.

29.3.3 Employees with a Disciplinary History – If EFA hires an employee or IAR with a significant disciplinary history, the Heightened Supervision Committee, will determine whether such person should be subject to any additional supervision. Compliance will determine if the significance of the disciplinary history is at a level to warrant referral to the Heightened Supervision Committee.

29.3.4 Periodic Certification – On an annual basis, each EFA employee and IAR must certify that he or she has disclosed to the Firm, all disciplinary matters occurring during the past year. Compliance will circulate these forms annually, and they must be completed and returned to Compliance.

29.3.5 Form ADV Disclosure – Compliance is responsible for amending the Form ADV and determining whether any particular disciplinary matter requires disclosure on the Form ADV. Compliance will also determine if any disciplinary matters need to be reported on the IAR's individual Form ADV Part 2B.

Chapter 30 - New Issue Rule

30.1 Policy

The Financial Industry Regulatory Authority ("FINRA") generally prohibits its member broker-dealers from selling a "new issue" to any account in which a "restricted person" has a beneficial interest. The term "restricted person" includes most associated persons of a broker-dealer, most owners and affiliates of a broker/dealer, and certain other classes of persons, which may include an investment adviser and/or its clients. This requirement is designed to protect the integrity of the public offering process by ensuring that, among other things, members do not withhold securities in a public offering for their own benefit or use such securities to reward persons who are in a position to direct future business to members. Broker-dealers routinely ask investment advisers to certify that it and/or its clients are not restricted persons if they are receiving new issues.

30.2 Responsibility

Compliance along with the designated Business Unit Leaders is responsible for implementing the procedures as described below. Questions regarding this policy or related procedures should be directed to the CCO.

30.3 Procedure

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy:

ESI does not have access to new equity initial public offerings through its clearing Firm, NFS. If public offerings became available, EFA would adopt procedures to address clients restricted from purchasing such securities.

Chapter 31 - Principal Transactions

31.1 Policy

EFA does not engage in principal transactions as an investment adviser, including risk-less principal transactions.[11]

31.2 Background

Under Section 206(3) of the Advisers Act, firms may engage in principal securities transactions with a client only if the firm discloses in writing the capacity in which it is acting and obtains the written consent of the client before the trade settles. Section 206(3) is designed to prevent overreaching by an adviser at the expense of clients and to provide clients with disclosure of conflicts of interest in such transactions.

If a firm acts as principal for its own account, the firm cannot buy any security from or sell any security to its client unless it discloses to the client the capacity in which it is acting and such disclosure is made in writing prior to the settlement of such transaction, and the client has given his consent to such transaction. This disclosure must be given and client consent obtained on a transaction-by-transaction basis. Blanket consents are not permitted. The client's consent may be oral, provided a written record of the time, date and the firm employee receiving the client's consent is made and kept in the client's file. A follow-up letter should be sent promptly to the client confirming the consent.

EFA does not engage in principal trades with clients in investment advisory accounts and cannot do so in the future without prior approval from the Law Department. The restrictions on principal trades reach EFA affiliates, meaning that an EFA affiliate cannot act as principal in a trade with an EFA client in an investment advisory account.

31.3 Responsibility

The CCO has responsibility for the implementation and monitoring of EFA's principal trading policies, practices, disclosures and recordkeeping. Questions regarding this policy or related procedures should be directed to the CCO.

31.4 Procedure

EFA has adopted the following procedures to implement the Firm's policy and to monitor compliance with the Firm's policy:

a. Communication of Policy – The Operations Department is responsible for communicating to appropriate employees that EFA does not engage in any principal transactions with advisory clients.

b. Compliance Monitoring – The CCO will periodically monitor the Firm's advisory services and trading practices to ensure that EFA does not engage in principal transactions with clients.

c. Disclosure Review - Compliance will review EFA's Form ADV at least annually to verify whether any disclosure regarding EFA's ability to enter into principal transactions with clients is accurate.

[11] As a broker-dealer, the Firm (under the name of Equity Services, Inc.) engages in risk-less principal fixed income securities trades on behalf of its broker-dealer clients, but does not engage in such transactions in investment advisory accounts.

Chapter 32 - Proprietary Trading

32.1 Policy

EFA's policy and practice is that EFA does not have any proprietary trading accounts. EFA does, however, maintain an error correction account at NFS. In addition, the Firm is the distributor of National Life Insurance Company variable universal life policies and a variable annuity contract. These securities are issued by prospectus and the Firm does not hold them in inventory or determine the price of the securities.

32.2 Background

In addition to placing securities transactions for clients, an adviser may trade for its proprietary accounts or those of its affiliates, which may include employee pension or similar profit sharing plans. Where an adviser engages in proprietary trading, the adviser may face a conflict of interest with its clients. The adviser needs to ensure that such conflicts are monitored and addressed in a manner consistent with the adviser's fiduciary duty to clients.

32.3 Responsibility

The CCO has responsibility for the implementation and monitoring of EFA's proprietary trading policies, practices, disclosures and recordkeeping. Questions regarding this policy or related procedures should be directed to the CCO.

32.4 Procedure

If EFA were to engage in proprietary trading, the following procedures would be adopted to implement the Firm's policy and reviews to monitor and ensure the Firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

a. Identification, Review, and Monitoring of Accounts – In the event EFA determines to have such accounts, it will identify, review, and monitor its proprietary accounts.

b. Disclosure – EFA will disclose any potential or actual conflicts of interest relating to proprietary trading in its Form ADV or otherwise.

Chapter 33 - Soft Dollars

33.1 Policy

It is EFA's policy not to enter into soft dollar arrangements, however, EFA may receive proprietary research from one or more brokerage firms on an unsolicited basis. EFA does not make brokerage allocation decisions based on the receipt of such information.

33.2 Background

Section 28(e) of the Securities Exchange Act of 1933 provides a safe harbor that allows an adviser to use dollars generated from brokerage commissions from transactions for client accounts to pay for brokerage and research services provided by broker-dealers. This safe harbor protects the adviser from claims that soft dollar arrangements may be deemed a breach of fiduciary duty if the adviser causes an account to pay more than the lowest available commission for trade execution. To rely on the safe harbor, the adviser must, among other things, make a good faith determination that the amount of the commission paid is reasonable in relation to the value of the brokerage and research services provided by the broker-dealer and make full disclosure to clients.

33.3 Responsibility

The CCO has responsibility for the implementation and monitoring of EFA's soft dollar policies, practices, disclosures and recordkeeping. Questions regarding this policy or related procedures should be directed to the CCO.

33.4 Procedure

EFA has adopted procedures to implement the Firm's policy and reviews to monitor and ensure the Firm's policy is observed, implemented properly and amended or updated, as appropriate, which include the following:

a. EFA will not make any formal or contractual commitments for any soft dollar obligations.

b. The CCO or designee will review and monitor this policy and related disclosures in EFA's Form ADV on a periodic and at least an annual basis.

Chapter 34 - Political Activities

34.1 Policy

Individuals may have important personal reasons for seeking public office, supporting candidates for public office, or making charitable contributions. However, such activities could pose risks to an investment adviser. For example, federal and state "pay-to-play" laws have the potential to significantly limit an adviser's ability to manage assets and provide other services to government-related Clients.

Rule 206(4)-5 (the "Pay-to-Play Rule") limits political contributions to state and local government officials, candidates, and political parties by registered investment advisers and their covered associates. The Pay-to-Play Rule defines "contributions" broadly to include gifts, loans, the payment of debts, and the provision of any other thing of value. Rule 206(4)-5 also prohibits investment advisers and their covered associates from providing payments to unregulated third parties to solicit advisory business from any government entity and includes a provision that prohibits any indirect action that would be prohibited if the same action was done directly.

As a registered adviser, and as a fiduciary to our advisory clients, our Firm has adopted this policy, which establishes the procedures through which EFA will comply with SEC Rule 206(4)-5 and related recordkeeping rules in Rule 204-2, regarding political activity by investment advisers who do business with government entities, and the use of placement agents.

The intent of Rule 206(4)-5 is to remove the connection between political contributions to state and local officials who may have influence over the awarding of government and public pension investment advisory business (i.e., "pay-to-play" practices).

34.2 Background

Investment advisers provide a wide variety of advisory services to state and local governments, including managing their public pension plans. The SEC adopted Rule 206(4)-5 under the Advisers Act that prohibits an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives or employees make a contribution to certain elected officials or candidates. The rule is targeted at those employees of an adviser whose contributions in the SEC's view raise the greatest danger of quid pro quo exchanges, and it covers only contributions to those governmental officials who would be the most likely targets of pay-to-play arrangements because of their authority to influence the award of advisory business. The compliance date for the contribution-related provisions of the rule requirement is March 14, 2011. The new rule also prohibits an adviser from providing or agreeing to provide, directly or indirectly, payment to any third party for a solicitation of advisory business from any government entity on behalf of such adviser.

Additionally, the rule prevents an adviser from soliciting from others, coordinating contributions to certain elected officials or candidates, or coordinating payments to political parties where the adviser is providing or seeking government business. The compliance date for the solicitation-related provisions of the rule requirement is September 13, 2011. Finally, the rule amendments require an adviser to maintain certain records of the political contributions made by the adviser or certain of its executives or employees.

34.3 Responsibility

EFA's CCO has the primary responsibility for the implementation and monitoring of the Firm's pay to play activities, practices and recordkeeping for the Firm. Designated supervisors of Covered Associates are responsible to ensure Covered Associates' compliance with the Firm's policies political contributions.

Questions regarding this policy or related procedures should be directed to the CCO or his/her designees.

34.4 Procedure

The Firm and its employees may make political contributions or coordinate with others to make political contributions to Officials running for various governmental offices. From time to time, the Firm may have the opportunity to provide advisory services to a governmental entity such as a state or municipal pension plan. To gain governmental entity clients, the Firm may desire to pay third parties that will solicit such

business on behalf of the Firm. These procedures govern the Firm's and its employees' political activities when the Firm is also seeking to manage, or actively managing, assets of governmental entities. Such procedures are sometimes called "pay-to-play" procedures.

34.4.1 Applicability of Pay-to-Play Rules - Rule 206(4)-5 under the Advisers Act and these procedures only apply if:

a. The Firm provides or is considering whether to provide investment advisory services to a Government entity; or

b. The Firm provides or is considering whether to make available for investment Covered Investment Pools that the Firm advises to a Government entity (the Firm currently does not advise Covered Investment Pools).

34.4.2 Pay-to-Pay Rule Definitions - The following definitions apply to the pay-to-play procedures set forth in this section.

34.4.2.1 Contributions - "Contribution" means any gift, subscription, loan, advance, or deposit of money or anything of value made for:

a. The purpose of influencing any election for federal, state or local office;

b. Payment of debt incurred in connection with any such election; or

c. Transition or inaugural expenses of the successful candidate for state or local office.

The SEC does not consider a donation of time by an individual to be a contribution, provided the adviser has not solicited the individual's efforts and the adviser's resources, such as office space and telephones, are not used. The SEC would not consider a charitable donation made by an investment adviser to an organization that qualifies for an exemption from federal taxation under the Internal Revenue Code, or its equivalent in a foreign jurisdiction, at the request of an official of a government entity to be a contribution for purposes of Rule 206(4)-5.

34.4.2.2 Covered Associate - "Covered Associate" means:

a. Any general partner, managing member or executive officer, or other individual with a similar status or function, of the Firm;

b. Any employee of the Firm who solicits a government entity for the Firm and any person who supervises, directly or indirectly, such employee; and

c. Any political action committee controlled by the Firm or by any person described in paragraphs (f)(2)(i) and (f)(2)(ii) of Rule 206(4)-5 under the Advisers Act. (The Firm does not currently control any political action committees.)

34.4.2.3 Covered Investment Pool - "Covered Investment Pool" means:

a. An investment company registered under the Investment Company Act of 1940 that is an investment option of a plan or program of a government entity; or

b. Any company that would be an investment company under Section 3(a) of the Investment Company Act of 1940, but for the exclusion provided from that definition by either Section 3(c)(1), Section 3(c)(7) or Section 3(c)(11) of that Act (e.g., most hedge funds).

34.4.2.4 De Minimis Contribution - "De Minimis Contribution" means:

a. $340 in the case of a Contribution to an Official for whom such employee is entitled to vote; and

b. $150 in the case of a Contribution to an Official for whom such employee is not entitled to vote.

34.4.2.5 Executive Officer - "Executive Officer" means:

a. The President of the Firm;

b. Any vice president in charge of a principal business unit, division or function (such as sales, administration or finance) of the Firm;

c. Any other officer of the Firm who performs a policy-making function; and

d. Any other person who performs similar policy-making functions for the Firm.

34.4.2.6 Government Entity - "Government entity" means any state or political subdivision of a state, including:

a. Any agency, authority, or instrumentality of the state or political subdivision;

b. A pool of assets sponsored or established by the state or political subdivision or any agency, authority or instrumentality thereof, including, but not limited to a "defined benefit plan" as defined in section 414(j) of the Internal Revenue Code, or a state general fund;

c. A plan or program of a government entity; and

d. Officers, agents, or employees of the state or political subdivision or any agency, authority or instrumentality thereof, acting in their official capacity.

34.4.2.7 Official - "Official" means any person (including any election committee for the person) who was, at the time of the Contribution, an incumbent, candidate or successful candidate for elective office of a government entity, if the office:

a. Is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser such as the Firm by a government entity; or

b. Has authority to appoint any person who is directly or indirectly responsible for, or can influence the outcome of, the hiring of an investment adviser such as the Firm by a government entity.

34.4.2.8 Payment - "Payment" means any gift, subscription, loan, advance, or deposit of money or anything of value.

34.4.2.9 Regulated Person - "Regulated Person" means:

a. an investment adviser registered with the SEC that has not, and whose Covered Associates have not, within two years of soliciting a government entity:
   i. Made a Contribution to an official of that Government entity, other than as described in paragraph (b)(1) of Rule 206(4)-5 under the Advisers Act; and
   ii. Coordinated or solicited any person or political action committee to make any Contribution or payment described in paragraph (a)(2)(ii)(A) and (B) of Rule 206(4)-5; or

b. A "broker," as defined in Section 3(a)(4) of the Securities Exchange Act of 1934 or a "dealer," as defined in Section 3(a)(5) of that Act, that is registered with the SEC, and is a member of a national securities association registered under Section 15A of that Act, provided that:
   i. The rules of the association prohibit members from engaging in distribution or solicitation activities if certain political contributions have been made; and
   ii. The SEC, by order, finds that such rules impose substantially equivalent or more stringent restrictions on broker-dealers than this section imposes on investment advisers and that such rules are consistent with the objectives of Rule 206(4)-5.

34.4.2.10 Definition of Solicit - "Solicit" means:

a. With respect to investment advisory services, to communicate, directly or indirectly, for the purpose of obtaining or retaining a client for, or referring a client to, the Firm; and

b. With respect to a contribution or payment, to communicate, directly or indirectly, for the purpose of obtaining or arranging a contribution or payment.

The SEC has stated that the determination of whether a particular communication is a solicitation depends on the specific facts and circumstances relating to such communication. As a general proposition any communication made under circumstances reasonably calculated to obtain or retain an advisory client would be considered a solicitation unless the circumstances otherwise indicate that the communication does not have the purpose of obtaining or retaining an advisory client. For example, if a government official asks an employee of an advisory firm whether the adviser has pension fund advisory capabilities, such employee generally would not be viewed as having solicited advisory business if he or she provides a limited affirmative response, together with either providing the government official with contact information for a covered associate of the adviser or informing the government official that advisory personnel who handle government advisory business will contact him or her.

34.4.3 Pay-to-Play Contributions

The following governs the Firm's activities as they related to political contributions, campaign activities, involvement with political action committees and new employees.

34.4.3.1 Advisory Services to Government Entities Prior to and After Political Contributions

a. Look-Back: Under SEC Rules, the Firm may not make any proposed Contribution and a Covered Association may not make a proposed Contribution other than a De Minimis Contribution to an Official of a Government entity if the Firm has provided advisory services for compensation to such Government entity within the last 2 years of the date of the proposed Contribution ("2-Year Cooling-Off Period").

b. Look-Forward: After the Firm has made a Contribution or a Covered Associate has made a Contribution other than a De Minimis Contribution to an Official of a Government entity, the Firm will not provide advisory services for compensation to such Government entity for a period of 2 years from the date of such Contribution ("2-Year Cooling-Off Period").

The SEC has stated that the two-year time out is intended to discourage advisers from participating in pay-to-play practices through a 2-year "cooling-off period" during which the effects of a political contribution on the selection process can be expected to dissipate. With respect to de minimis contributions, the SEC believes that the relatively small amount of the contribution suggests that it is unlikely to be made for the purpose of influencing the award of an advisory contract.

34.4.3.2 Pre-Clearance of Contributions - Even if a Contribution will not be prohibited by the 2-Year Cooling-Off Period set forth herein or is a De Minimis Contribution, no Covered Associate may make a Contribution to any Official unless:

a. The Covered Associate submits to the Chief Compliance Officer, or his/her designee, a written request to make the proposed Contribution;

b. The Chief Compliance Officer, or his/her designee, reviews the written request to verify that the proposed Contribution is a (i) De Minimis Contribution or a Contribution that is not subject to the 2-Year Cooling Off Period; and (ii) does not otherwise violate these procedures, including specified prohibited Contributions;

c. The Covered Associate has received written pre-clearance from the Chief Compliance Officer, or his/her designee, that informs the Covered Associate that he or she may make the proposed Contribution.

34.4.3.3 Prohibited Contributions - The Chief Compliance Officer and his/her designee may not pre-clear, and no Covered Associate may make, a Contribution:

a. to an Official of a Government entity, including a candidate for such office who is or will be in a position to influence the award of advisory business and the Firm has received compensation from such Government entity within the two years prior to the proposed date of the Contribution for providing it advisory services (as set forth herein);

b. the purpose of which is to influence the awarding of an advisory contract or the decision to

invest in a Covered Investment Pool managed by the Firm and is likely to have the effect of influencing the award of an advisory contract or the decision to invest in a Covered Investment Pool by the Firm; or

c. which would result in serious adverse consequences to the Firm.

34.4.3.4 Returned Contributions - If a Covered Associate has made a Contribution in violation of these procedures, the Firm may be excepted from the prohibition on providing investment advisory services for compensation, provided all of the following criteria are met:

a. The Firm discovered the contribution within four months of the date of the contribution;

b. The contribution did not exceed $340; and

c. The contributor obtained a return of the contribution within 60 calendar days of the date of discovery by the Firm.

If the Firm becomes aware that a prohibited contribution was made, the Chief Compliance Officer or his/her designee will apply the above-listed criteria to determine whether or not the “Returned Contributions” exception is available. If available, the "Returned Contributions" exception may only be applied:

i. No more than 3 times during any 12-month period for the Firm; and

ii. No more than once per Covered Associate.

34.4.3.5 Coordinating and Soliciting Contributions - Neither the Firm nor its Covered Associates may coordinate or Solicit Contributions to:

a. an Official of a Government entity to which the Firm is seeking to provide investment advisory services; or

b. a political party of a state or locality where the Firm is providing or seeking to provide investment advisory services to a Government entity.

No Covered Associate or the Firm without the written consent of the Chief Compliance Officer or his/her designee may coordinate or solicit any person or political action committee to make a:

a. Contribution to an Official; or

b. payment to a political party of a state or locality.

With regard to solicitations from a political action committee or a political party with no indication of how the collected funds will be disbursed, the SEC stated that investment advisers should inquire how any funds received from the adviser or its covered associates would be used. For example, if the political action committee or political party is soliciting funds for the purpose of supporting a limited number of government officials, then, depending upon the facts and circumstances, contributions to the political action committee or payments to the political party might well result in the same prohibition on compensation.

34.4.3.6 Campaign Activities - No Covered Associate or the Firm without the written consent of the Chief Compliance Officer or his/her designee may:

a. use the name of the Firm in any fund-raising literature for an Official; or

b. sponsor a meeting or conference that features an Official as an attendee or guest speaker and that involves fund-raising for such person.

34.4.3.7 Political Action Committees - No Covered Associate or the Firm without the written consent of the Chief Compliance Officer, or his/her designee, may make a Contribution to a political

action committee or state or local political party. When deciding whether to approve a Contribution, the Chief Compliance Officer will take into account the following factors:

a. how the Contribution will be used; and

b. whether the political action committee or political party is closely associated with an official of a Government entity.

According to the SEC, these restrictions in Rule 206(4)-5 are intended to prevent advisers from circumventing the rule's prohibition on direct contributions to certain elected officials such as by "bundling" a large number of small employee contributions to influence an election, or making contributions (or payments) indirectly through a state or local political party.

34.4.3.8 New Employees - Prior to a person becoming a new employee of the Firm, the Firm shall require the employee candidate to disclose all Contributions and payments made by such persons to Officials, political action committees and state and local political parties within the preceding 2 years (if the employee candidate will solicit clients) and 6 months (if the employee candidate will not solicit clients).

When an employee becomes a Covered Associate, the SEC stated that the adviser must "look back" in time to that employee's Contributions to determine whether the time out applies to the adviser firm. If, for example, the contribution was made more than two years (or for non-solicitors, six months) prior to the employee becoming a Covered Associate, the time out has run; if the Contribution was made less than two years (or six months) from the time the person becomes a covered associate, Rule 206(4)-5 prohibits the adviser firm that hires or promotes the contributing covered associate from receiving compensation for providing advisory services from the hiring or promotion date until the two-year period has run. The look-back provision is designed to prevent advisers from circumventing the rule by influencing the selection process by hiring persons who have made political contributions.

34.4.3.9 Bona Fide Charitable Contributions
In Political Contributions by Certain Investment Advisers, Advisers Act Release No. 3043 (July 1, 2010) the SEC indicated that charitable donations to legitimate not-for-profit organizations, even at the request of an official of a government entity, would not implicate Rule 206(4)-5

34.4.4 Pay-to-Play Solicitation Arrangements

The following procedures govern the Firm's pay-to-play solicitation arrangements.

34.4.4.1 Applicability of Rule 206(4)-5 to Different Types of Advisory Products and Services Being Offered – The Pay-to-Play Rule applies equally to:

- Advisers that provide advisory services to a government entity; and
- Advisers that manage a registered investment company (such as a mutual fund) that is an investment option of a plan or program of a government entity
- Advisers that provide or are considering whether to make available for investment Covered Investment Pools that the Firm advises to a Government entity (the Firm currently does not advise Covered Investment Pools).

34.4.4.2 Non-Regulated Persons - The Firm may not provide or agree to provide, directly or indirectly, payment to any person for solicitation of Government entity advisory business on behalf of the Firm unless that person is a Regulated Person.

An investment adviser is prohibited from providing or agreeing to provide, directly or indirectly, payment to any person for solicitation of government advisory business on behalf of such adviser unless that person is registered with the SEC (e.g., a registered broker-dealer or investment adviser) and subject to pay-to-play restrictions either under the SEC's rule or the rules of a registered national securities association (e.g., FINRA).

34.4.4.3 Solicitation Arrangement Review - Prior to the Firm or any Covered Associate entering into a solicitation agreement or arrangement related to Government entity advisory business with a third-party, the following steps shall be taken:

a. The Firm shall draft a document describing the arrangement, including which Covered Associates and third-parties will participate in the arrangement, and the agreement that will govern such arrangement;

b. The written description, agreement, information about the third-party and any other relevant documents shall be submitted to the Chief Compliance Officer and the relevant Covered Associates shall request his or her approval;

c. The Chief Compliance Officer or his/her designee shall check the background of the third-party and participating personnel, including whether they have any criminal history or committed other violations;

d. The Chief Compliance Officer shall request from the third-party, as a condition to the Firm engaging such third-party, a written representation regarding whether it is a Regulated Person;

e. The Chief Compliance Office shall conduct his or her own review to make sure that the third-party has not made political contributions or otherwise engaged in conduct that would disqualify it from the definition of Regulated Person; and

f. The Chief Compliance Officer shall approve the third-party solicitation agreement and/or arrangement if it complies with the procedures set forth herein.

34.4.4.4 Ongoing Regulated Person Status - After the Firm has entered into a solicitation agreement and arrangement with a third-party solicitor, the Chief Compliance Officer or his/her designee shall periodically confirm the status of such solicitor as a Regulated Person by:

a. Obtaining a representation from the third-party solicitor as to its Regulated Person status; or
b. Obtaining other evidence supporting the conclusion that the third-party solicitor is a Regulated Person.

34.4.5 Pay-to-Play Sub-Adviser Arrangements - The following procedures govern the Firm's pay-to-play solicitation arrangements involving third-parties where the Firm either hires a sub-adviser or acts as a sub-adviser.

34.4.5.1 Firm Acts as Sub-Adviser to Manage Government Entity Assets - Prior to the Firm entering into an agreement or arrangement with a third-party adviser where the Firm will serve as a sub-adviser to an account or Covered Investment Pool consisting of Government entity assets managed by the third-party adviser, the Chief Compliance Officer shall:

a. Disclose in writing to the third-party adviser whether the Firm or any of its Covered Associates have made a contribution or payment that would result in a serious adverse consequence to the third-party adviser under Rule 206(4)-5; and

b. Verify on an ongoing basis that neither the Firm nor any of its Covered Associates has made a Contribution or payment that would result in a serious adverse consequence to the third-party adviser under Rule 206(4)-5.

The Firm currently does not engage in any such activity.

34.4.5.2 Firm Hires Sub-Adviser to Manage Government Entity Assets - Prior to the Firm entering into an agreement or arrangement with a third-party that will serve as a sub-adviser to an account or Covered Investment Pool consisting of Government entity assets managed by the Firm, the Chief Compliance Officer shall require the third-party sub-adviser to:

a. Disclose in writing to the Firm whether the third-party sub-adviser or any of its Covered Associates have made a Contribution or payment that would result in a serious adverse

consequence to the Firm under Rule 206(4)-5; and

b. Verify on an ongoing basis that neither the third-party sub-adviser nor any of its Covered Associates has made a Contribution or payment that would result in a serious adverse consequence to the Firm under Rule 206(4)-5.

Chapter 35 – Oversight of Third-Party Vendors

35.1 Background

Some services may be outsourced to third parties (vendors).

35.2 Policy

While third parties are responsible for providing agreed-upon services in an accurate manner, regulators have stated that firms remain responsible for ultimate compliance with rules governing the outsourced activity ("covered activities") that, if performed by a firm, would be required to be the subject of a supervisory system and written supervisory procedures.

35.2.1 Evaluating Third-Party Vendors

When choosing an outside vendor, a number of factors will be considered depending on the type of service provided. Factors that may be considered when engaging a third party include their:

- History and reputation in the industry, including the experiences of similar entities serviced by this provider and the provider's history of client retention;
- Financial condition and ability to devote resources to the Company;
- Recent corporate transactions (such as mergers and acquisitions) involving them;
- Level of service that will be provided;
- Nature and quality of the services to be provided;
- Experience and quality of the staff providing services and the stability of the workforce;
- Operational resiliency, including its disaster recovery and business continuity plans;
- Technology and process it uses to maintain information security, including the privacy and security of customer data or other financial information, if applicable;
- Communications technology;
- Insurance coverage;
- Reasonableness of fees in relation to the nature of the services to be provided.
- Other users of the vendor's services
- Ability to retain firm records in accordance with regulatory requirements
- Oversight and monitoring their vendor's services

Where potential conflicts of interest exist, the CCO must evaluate the extent to which such potential conflicts are mitigated.

35.2.2 Evaluating Third-Party Vendor Agreements

Written contracts should properly document the terms of service provided and the protection of confidential information. Such contracts must be maintained, must be current, and must be available for review by regulators, when requested. In the event the service provider has, or will have, access to material non-public information, if the contract does not contain a confidentiality agreement, the Company must obtain a separate agreement to be maintained in the file with the vendor contract.

35.2.3 Ongoing Oversight of Third-Party Vendors

The Third Party Governance group within National Life is responsible for monitoring all service providers to ensure compliance with the terms and conditions of the Company's contract. Periodically, the following should be review, as applicable:

- the vendor's financial condition and ability to devote resources to the Company;
- recent corporate transactions (such as mergers and acquisitions) that involve the vendor;
- the level of service provided to the Adviser;
- assess the reasonableness of fees in relation to the nature of the services to be provided;
- re-evaluate the potential for conflicts of interest that could unfairly benefit the Company or others to the detriment of clients;
- the experience and quality of the staff providing services and the stability of the workforce;
- the vendor's operational resiliency, including its disaster recovery and business continuity plans;

- the technology and process it uses to maintain information security, including the privacy of customer data;
- the vendor’s communications technology.

If issues arise during monitoring, the Third-Party Governance group will bring it to the attention of the relationship manager within ESI. The relationship manager may bring it to senior management and/or counsel to evaluate the issue.

35.2.4 Cybersecurity

The firm will confirm that a vendor that will have access to non-public customer, employee or firm records, has a viable cybersecurity program to protect such information and take corrective action when there are cybersecurity breaches. Cybersecurity considerations include, but are not limited to:

- Review of a vendor's cybersecurity program and confirmation of continuing controls and technology changes to critical systems
- Testing of system changes and capacity to detect underlying malfunctions or capacity constraints
- Requirement to notify the Firm if there is a breach
- Encryption of confidential firm and customer data stored at the vendor or in transit between the firm and vendors
- Disposal of customer non-public information
- Retention or transfer of data upon termination of vendor agreement

35.2.5 Books And Records

The Firm's records are a critical part of any outsourced vendor agreement.

- Affirm the vendor will maintain books and records, where applicable, in accordance with Exchange Act Rule 204-2.
- Confirm records will not be deleted upon termination of the vendor's contract with the Firm.

Chapter 36 – Senior Investors

36.1 Policy

EFA recognizes special considerations for working with senior investors who may experience significant life events such as a transition to retirement, or age-related health or mental issues. The Firm will incorporate the special considerations listed in this chapter when making recommendations to senior investors. Additionally, the Firm will apply prudent measures for detecting and preventing elder abuse or related fraudulent activity.

36.2 Definitions

"Senior Investor" means a natural person age 65 and older.

"Account" means any account for which a Senior Investor has the authority to transact business.

"Trusted Contact Person" means the person who may be contacted about the Senior Investor's account. This is a person that may be contacted on behalf of the customer to address possible financial exploitation and confirm other information.

"Financial Exploitation" means:

a. the wrongful or unauthorized taking, withholding, appropriation, or use of a Senior Investor's funds or securities; or

b. any act or omission by a person, including through the use of a power of attorney, guardianship, or any other authority regarding a Senior Investor, to:

   i. obtain control, through deception, intimidation or undue influence, over the Specified Adult's money, assets or property; or

   ii. convert the Senior Investor's money, assets or property.

36.3 Responsibility

The SVP, Operations or designee, is responsible for implementing and monitoring our policy regarding the treatment of Senior Investors. Questions regarding this policy or related procedures should be directed to the SVP, Operations.

36.4 Procedure

36.4.1 Opening New Accounts

When opening and handling accounts for Senior Investors, there are certain considerations in addition to usual account handling procedures. IARs should:

a. Encourage customers to identify a Trusted Contact Person and obtain permission to contact that person in the event there is an issue or event that requires clarification (such as the customer suffers diminished mental capacity in the future); document account information if the customer refuses to identify a contact person

b. Indicate "retired" on the new account paperwork to assist in evaluating the investor's status as someone potentially withdrawing from investments versus accumulating assets.

Accounts for incompetent persons may only be opened with the appropriate authority from a court-appointed guardian. If an IAR becomes aware that a customer has become incompetent, the IAR should contact the Branch Office/Field OSJ Supervisor or Compliance for further guidance.

If a customer becomes incompetent while a third-party trading authorization is in effect for his or her account, the authority generally is considered invalid and requires a court order for reinstatement. "Durable" powers of attorney, recognized by some states, remain in effect after a person is declared incompetent. Questions should be referred to Compliance.

36.4.2 Diminished Capacity

Another difficult issue is that of a customer who appears to be suffering from diminished mental capacity. If a customer's behavior suggests reduced capacity, it is important to take steps to protect the customer, the IAR, and the Firm.

Below are a number of steps that may be taken to address the issue:

a. Contact the Trusted Contact Person to inquire about the customer's current health status; or the identity of a current legal guardian, executor, trustee or power of attorney.

b. Have a conversation with the customer with your designated supervisor or designee present to assist in making a determination.

c. Raise the issue with family members and determine if the customer has given power of attorney to another person. Be mindful of family member's status as a trusted contact and privacy considerations during any such conversations.

d. Document meetings, conversations, and other exchanges with relatives about the situation.

e. Document communications with the customer about investments.

f. As a final alternative, decide not to continue doing business with the customer.

Contact Compliance with questions about a proper course of action.

36.4.3 Suspected Fraud and/or Elder Abuse (Safe Seniors Act)

The information below provides guidance to IARs and other employees when handling accounts for Senior Investors. Questions regarding potential elder abuse should be referred to your supervisor or Compliance.

36.4.3.1 Red Flags

The following situations could indicate the existence of elder financial exploitation.

a. Erratic or unusual transactions, or changes in investor's patterns:
   i. Frequent large withdrawals, including daily maximum currency withdrawals from a brokerage account;
   ii. Debit transactions that are inconsistent for the elder;
   iii. Uncharacteristic attempts to wire large sums of money;
   iv. Closing of accounts without regard to penalties.

b. Interactions with customers or caregivers:
   i. A caregiver or other individual shows excessive interest in the Senior Investor’s finances or assets, does not allow the customer to speak for him- or herself, or is reluctant to leave the customer’s side during conversations;
   ii. The Senior Investor shows an unusual degree of fear or submissiveness toward a caregiver, or expresses a fear of eviction or nursing home placement if money is not given to a caretaker;
   iii. The financial institution is unable to speak directly with the Senior Investor, despite repeated attempts to contact him or her;
   iv. A new caretaker, relative, or friend suddenly begins conducting financial transactions on behalf of the Senior Investor without proper documentation;
   v. The customer moves away from existing relationships and toward new associations with other "friends" or strangers;
   vi. The Senior Investor’s financial management changes suddenly, such as through a change of power of attorney to a different family member or a new individual;
   vii. The Senior Investor lacks knowledge about his or her financial status or shows a sudden reluctance to discuss financial matters.

This list of red flags identifies only possible signs of illicit activity. The Firm or the IAR may become aware of persons or entities perpetrating illicit activity against the elderly customer through monitoring transaction activity that is not consistent with expected behavior.

36.4.3.2 Temporary Holds

If elder abuse is suspected, IARs (or another employee) can forward a request for a temporary hold on the subject's account(s) to ESI Operations. Temporary hold requests should include account name, number, customer's age, and the reason for requesting the hold. The following guidelines apply:

a. A temporary hold on a disbursement may be placed if ESI reasonably believes that financial exploitation of the customer has occurred or is occurring, has been or will be attempted.

b. ESI will make an attempt to resolve the matter with the customer before placing a hold, unless doing so would cause further harm to the customer.

c. The hold may be placed on suspicious disbursements but not on other non-suspicious disbursements.

d. Holds do not apply to securities transactions, *i.e.,* a customer's sell order. A hold may be made on the disbursement of the sale proceeds where there is reasonable belief of financial exploitation.

e. A customer's objection or information obtained from the Trusted Contact Person may be used in determining whether the hold should be placed or lifted.

f. The temporary hold expires no later than 15 business days. Unless otherwise terminated or extended by a state regulator or agency or court of competent jurisdiction and if the Firm's internal review supports the finding of financial exploitation:
   - The temporary hold may be extended 10 business days
   - The temporary hold may be extended an additional 30 business days beyond the initial 25 days (the first 15-day hold plus the extension of 10 days) for a total potential hold of 55 business days

36.4.3.3 Reporting Suspected Elder Abuse

When dealing with Senior Investors, there may be changes or events that require escalation of an issue to the IAR's designated supervisor and/or Compliance. The following are some issues that may require escalation for handling:

a. Suspected elder abuse, including financial abuse (contacting appropriate state or other authorities may be necessary; confer with Compliance regarding such referrals); and

b. Suspected diminished capacity.

Any questions regarding dealing with Senior Investors should be referred to Compliance. Having the IAR's designated supervisor or Compliance make direct contact with the investor or Trusted Contact Person may be appropriate.

36.5 Marketing Considerations

36.5.1 Use of Titles/Designations Inferring Expertise

IARs may use special designations indicating expertise when dealing with Senior Investors when the following conditions are met:

a. A request to use a designation must be provided to the AGT **prior to use**, including the name and address of any outside organization conferring such designation based on meeting the organization's requirements.

b. Designations may not be self-conferred, *i.e.,* the designation must be based on some criteria or qualification met.

c. The IAR must be in good standing with the organization that confers the designation.

d. The IAR must be current on any continuing education requirements of the outside organization.

e. Business cards/letterhead are limited to those approved by the AGT; IARs may not use any unapproved marketing materials.

f. The AGT will review the request and notify the IAR and the IAR's supervisor if the designation and associated materials are approved or disapproved.

g. Designations may be used only with AGT approval.

h. IARs who use designations must attest, on their annual compliance certification, their compliance with any required education requirements. Titles reflecting a position for an entity must be accurate and not misleading.

36.5.2 Advertising Targeting Seniors

Advertising that targets seniors must be balanced and may only include products or services suitable for Senior Investors. All advertising must be approved by the AGT prior to publication or distribution.

36.5.3 Luncheon/Dinner Programs and Senior Seminars

Luncheon/dinner programs and seminars are a common approach to reach investors and are popular in soliciting Senior Investors. These programs, as does all public speaking, require the approval of the designated supervisor and AGT including submission of the invitation, any related advertisement, an outline of subjects to be covered and copies of materials to be distributed or shown in presentations (slide shows, Power Point presentations, *etc.*). Advertising must be approved by the AGT.

Luncheon/dinner programs cannot mislead invitees with respect to the purpose of the luncheon/dinner program. Products offered must be suitable for the target audience and the suitability of any recommendation must be considered for each investor individually.
IARs are to submit all materials to be used for public speaking events, seminars or luncheon/dinner programs to the designated supervisor and AGT prior to the event for review. All materials must be approved prior to use. Refer to Chapter 2 *Advertising* for additional details.

36.6 Reverse Mortgages

A reverse mortgage is an interest-bearing loan secured by the equity in a home. Generally, the borrower and any other co-borrowers (such as a spouse) must own the home and be age 62 or older (criteria may vary between lenders). Under these arrangements, home equity may be converted to cash and used for any purpose. The homeowner makes no interest or principal payments during the life of the loan; interest is added to the principal. Unless the loan is a fixed-term loan, the loan only becomes due when the homeowner dies, sells the home, or otherwise leaves the home for more than 12 months. If any of these events occur, the borrower or heirs must repay the loan, including compounded interest, in full. Usually the home is sold and the loan is paid from the proceeds of the sale.

IARs are not permitted to recommend customers use reverse mortgages to fund investments. EFA does not accept accounts funded by proceeds obtained from reverse mortgages.

EXHIBIT A: CODE OF ETHICS

Revision Date: September 8, 2017

Policy Statement

No director, officer, employee, investment adviser representative or registered representative of Equity Services, Inc. (the "Company") shall have any position with, or a "substantial interest" in, any other business enterprise operated for a profit, the existence of which would conflict, or might conflict, with the proper performance of his/her duties or responsibilities to the Company or which might tend to affect his/her independence of judgment with respect to transactions between the Company or the issuers of securities distributed by the Company, and such other business enterprise, without prior full and complete disclosure thereof. Each director, officer or employee who has such a conflicting, or possibly conflicting, interest with respect to any transactions which he/she knows is under consideration by the Company, or the issuers of securities distributed by the Company, or any affiliate thereof, is required to make timely disclosure thereof so that it may be part of the Company's consideration of the transaction.

Rules of Conduct

In order to implement the foregoing Policy Statement but without limiting its intent, the following Rules are adopted:

1 The cornerstone of the Company's business philosophy is that the interests of its clients are paramount. This principle shall guide directors, officers, employees, registered representatives and investment adviser representatives in conducting business on behalf of the Company. Each such person shall observe high standards of commercial honor and just and equitable principles of trade, and shall comply in all respects with the federal and state securities laws.

2 No director, officer, employee, investment adviser representative, or registered representative should accept gifts, gratuities or favors of any kind from any person, firm or corporation doing business, or having the potential to do business, with the Company or the issuers of securities distributed by the Company, under any circumstances from which it could be reasonably inferred that the purpose of the gift, gratuity or favor could be to influence the director, officer, investment adviser representative, registered representative, or employee in the conduct of Company or affiliated transactions with the donor; provided, however, that this section shall not be interpreted to prohibit:

   2.1 allowing business contacts to pay for meals, entertainment, or sporting events which a director, officer, employee, investment adviser representative, or registered representative attends, or

   2.2 gifts of items with a value not exceeding $100.

3 Bribes, kickbacks, inducements and/or other illegal payments to or from any individual with whom the Company does business or hopes to do business, in any form, for any purpose, are absolutely prohibited.

4 The accuracy and completeness of account entries and classifications are to be strictly maintained at all times. Entries must be made in such a manner that their nature is clearly discernible to management and to the Company's independent auditors.

5 No officer or employee of the Company shall be a director, officer, associate, partner, agent or employee of any other business enterprise, or shall have any financial interest in any other financial institution, or in any firm with whom the Company or any affiliate does business, without first having secured written permission from the Chief Executive Officer or the President.

6 No director, officer, employee, investment adviser representative, or registered representative of the Company who receives information on investment matters shall, either directly or indirectly:

   6.1 purchase or sell securities where any such purchase or sale is based on information obtained by reason of his/her official position in the Company, unless he/she shall have first secured written permission to make such purchase or sale from the Chief Executive Officer or the President, or

6.2 invest in any real property in which he/she knows that the Company or any affiliate has, or is considering any investment or a tenancy, or in any real property the value of which may be affected by any action of the Company of which he/she has special knowledge, or

6.3 Notwithstanding the foregoing provisions of 6.1 above, purchases or sales of 1,000 or less share orders of companies whose securities are listed on a registered exchange or quoted daily on NASDAQ shall not be deemed prohibited hereunder.

7 If the Company acquires information in connection with an investment it is making (or considering), directors, officers, employees, investment adviser representatives, and registered representatives of the Company shall treat this information as confidential.

8 No director, officer, employee, investment adviser representative, or registered representative of the Company shall knowingly or intentionally trade, directly or indirectly, against the Company or against any of the issuers of securities distributed by the Company, in any securities which they each may respectively purchase, hold or sell, or, knowingly or intentionally, enter into, advise or permit any security transaction inconsistent with the best interests of the Company or of any issuers of securities distributed by the Company.

9 Each officer or employee or director, if he or she is an Access Person as defined in Rule 17j-1 under the Investment Company Act of 1940, or an Access Person as defined in Rule 204A-1 under the Investment Advisers Act of 1940, of the Company and each registered investment adviser representative, shall file within thirty days after the close of each calendar quarter, with the Chief Compliance Officer, or his/her designee, a complete and accurate report of all transactions in Covered Securities of which he/she has knowledge, made by or for his/her account or any immediate member of his/her family or any trust, partnership, corporation, syndicate or account as to which he/she, directly or indirectly, has control or has participation in investment policies; provided however, any such report may contain a statement that it shall not be construed as an admission that the person making such report has any direct or indirect beneficial ownership in the Covered Securities to which the report relates. Every such report shall be dated on the date on which it is submitted and shall contain the information specified in Sections 9.1 – 9.2. Access Persons, registered representatives and investment adviser representatives may certify to information that is provided to the Company systematically from an authorized third party vendor.

9.1 With respect to any transaction during the quarter in a Covered Security in which the reporting person had any direct or indirect ownership:

9.1.1 The date of the transaction and the title and amount of the security involved;

9.1.2 The nature of the transaction (i.e. purchase, sale or other acquisition or disposition);

9.1.3 The price at which the transaction was effected; and

9.1.4 The name of the broker, dealer or bank with or through whom the transaction was effected.

9.2 With respect to any account established by a reporting person during the quarter for the direct or indirect benefit of such person:

9.2.1 The name of the broker, dealer or bank with whom such person established the account; and

9.2.2 The date the account was established.

10 Each officer or employee or director, if he or she is an Access Person as defined in Rule 17j-1 under the Investment Company Act of 1940, or an Access Person as defined in Rule 204A-1 under the Investment Advisers Act of 1940, of the Company, and each registered investment adviser representative, shall file, within ten days of first becoming an Access Person or an investment adviser representative, and once per year, with the Chief Compliance Officer, or his/her designee, information specified in Sections 10.1 – 10.2 (which information, in the case of the annual holdings report, must be current as of a date no more than 45 days before the report is submitted, and in the case of the initial holdings report, must be current as of the date on which the person became an Access Person of the Company or an investment adviser representative of the Company), in a report dated the date

of its submission. Access Persons and investment adviser representatives may certify to information that is provided to the Company systematically from an authorized third party vendor:

10.1 The title, number of shares and principal amount of each Covered Security in which the reporting person had any direct or indirect beneficial ownership;

10.2 The name of any broker, dealer or bank with which the person maintains an account in which any securities are (or in the case of the initial holdings report, were at that time such person became an officer, director, trustee or employee) held for the direct or indirect benefit of the person.

11 A person need not make a report under sections 9 or 10 above with respect to transactions effected for, and Covered Securities held in, any account managed by a third party with discretionary trading authority, or for programs of regular periodic purchases or withdrawals made automatically in or from investment accounts in accordance with a predetermined schedule and allocation.

12 All such reports from sections 9 and 10 above shall be reviewed by the Chief Compliance Officer or his/her designee, who shall indicate on each form that it has been reviewed. Alternatively, such reports may be screened by an automated system which reports exceptions to the reviewer. Evidence of the review of the exception reports shall be retained systematically or in writing.

Such designated individuals shall also be responsible for ensuring that all persons required to file such reports have done so, and shall maintain records designed to demonstrate that all persons required to file such reports have done so, or to identify those who have not.

In reviewing such reports (or reports provided by authorized third party vendors), the persons designated as responsible for such review shall look for transactions which may violate any provision of this Code of Ethics.

13 Each of the persons responsible for reviewing such reports shall promptly report any failures to timely file any such report, or any other violation of any other provision of this Code of Ethics detected by him or her, to the Chief Compliance Officer and to the President of Equity Services, Inc. who shall determine what action is necessary or appropriate under the circumstances.

14 The Company maintains a separate written Policy and Procedure Designed to Detect and Prevent Insider Trading, which is incorporated herein by reference.

14.1 All Access Persons and investment adviser representatives of the Company shall not under any circumstances acquire equity securities in an initial public offering.

14.2 All Access Persons and investment adviser representatives shall not invest in private placements except after having obtained the prior approval of the Chief Compliance Officer or his/her designee.

15 All Access Persons and investment adviser representatives shall not participate in any investment club without having obtained prior approval of the Chief Compliance Officer or his/her designee.

16 All officers, directors, employees, registered representatives, and registered investment adviser representatives shall promptly report any violations of this Code of Ethics of which he or she becomes aware to the President and the Chief Compliance Officer or his/her designee.

17 Review and enforcement of this Code of Ethics shall primarily be the responsibility of the Chief Compliance Officer or his/her designee.

18 The Company shall provide each registered investment adviser representative with a copy of the Company's Code of Ethics and any amendments, and each such investment adviser representative shall provide the Company with a written acknowledgement of their receipt of the Code of Ethics and any amendments.

19 The company shall maintain in its books and records the following:

19.1 A copy of each version of the Company's Code of Ethics that is in effect, or at any time with the past five years was in effect;

19.2 A record of any violation of the Code of Ethics, and of any action taken as a result of the violation; and

19.3 A record of all written acknowledgments as required by section 18 above for each person who is currently, or within the past five years was, an investment adviser representative of the Company.

19.4 A record of each report made by an Access Person as required by sections 9 & 10 of this Code of Ethics, including any information provided in lieu of such reports pursuant to paragraph (b)(3)(iii) of Rule 204A-1 under the Investment Advisers Act;

19.5 A record of the names of persons who are currently, or within the past five years were, Access Persons; and

19.6 A record of any decision, and the reasons supporting the decision, to approve the acquisition of securities by Access Persons and investment adviser representatives under section 6 of this Code of Ethics, for at least five years after the end of the fiscal year in which the approval is granted.

20 All books and records required to be made under section 20 above shall be maintained and preserved in an easily accessible place for a period of not less than five years from the end of the fiscal year during which the last entry was made on such record, the first two years in an appropriate office of the Company.

Conflict Management Framework

The Firm has adopted a Conflicts Policy which is maintained as a separate policy, and is incorporated herein by reference. The Conflicts Policy addresses the Firm's means and processes for identifying and addressing potential conflicts of interest within the various aspects of its business (see Equity Services, Inc. Conflict Management Framework).

Definitions

If you should at any time have any question as to the application of the below, please consult with the Company's Compliance department. As used herein, the following definitions shall apply:

"Access Person"

Under Rule 204A-1, the adviser's code must require certain supervised persons, called "access persons", to report their personal securities transactions and holdings. An access person is a supervised person who has access to nonpublic information regarding clients' purchase or sale of securities, is involved in making securities recommendations to clients or who has access to such recommendations that are nonpublic. A supervised person who has access to nonpublic information regarding the portfolio holdings of affiliated mutual funds is also an access person.

"Covered Security"

Any note, stock, treasury stock, bond, debenture, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas, or other mineral rights, any put, call, straddle, option, or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or, in general, any interest or instrument commonly known as a "security", or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing, except that it does not include:

i. direct obligations of the Government of the United States;
ii. bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements; and
iii. shares issued by open-end mutual funds.

"Purchase or sale of a security"

The writing of an option to purchase or sell a security.

"Substantial interest"

i. Beneficial ownership of 1% or more of the voting stock of any public corporation;
ii. An interest valued at more than $5,000 or an ownership of more than 10% in a closely held corporation; or
iii. Any interest for gain or profit in any other business or profession with which to his/her knowledge the Company or the issuers of securities distributed by the Company invest in, purchase from or sell to, other than in marketable securities.

EXHIBIT B: BUSINESS CONTINUITY PLAN

Revision Date: July 12, 2022

Equity Services, Inc. (ESI) is committed to the objective of ensuring continuation of all essential functions in the event that we experience a disaster or serious emergency through an effective and comprehensive business continuity plan. ESI considers business continuity planning to be an ongoing process, requiring periodic review to assess risks and appropriate responses. As a result, this plan may change as necessary.

National Life Group Business Continuity Plan Guidelines
National Life Group has developed business continuity plans that include the ability to mitigate and/or recover from situations including, but not limited to pandemic, power outages, major water leaks, fire, loss of water, severe weather, and any facilities failures that may cause business interruptions. These plans are designed to address business interruptions of various lengths and scope and require that National Life Group and its affiliates are able to recover critical functions according to their time criticality. Key features of National Life Group Corporate Business Continuity & Disaster Recovery planning activities include:

- Identification of all mission critical systems.
- A review of financial and operational risks.
- Alternate communications between National Life, ESI and its vendor partners.
- Employee safety strategies and communications.
- Systems and telecommunications accessibility.
- Alternate physical site location and preparedness.

A Business Continuity Management team facilitates the planning process and coordinates response and event management across both ESI and its affiliated company, National Life Group. Each department follows the National Life Group enterprise-wide Business Function Prioritization model for business continuity planning and disaster recovery.

Recovery planning includes all National Life affiliates including ESI. As such, ESI participates in National Life Group corporate guidelines, which incorporate general industry best practices, including but not limited to:

- **Business Impact Analysis** — Each National Life Group and affiliate business process is assigned by business function, as well as the resources that the function needs to successfully recover.
- **Business Continuity Plan** — National Life Group departments and affiliates document and update business continuity plans to support department and affiliates needs. Continuity plans include procedures, employee communication strategies, alternate site requirements, procedures for notifying clients, recovery management, and alternate site preparation checklists.
- **Employee Training and Awareness** — Continuity plans also address promoting employee awareness with regards to event management and emergency communication tools, communicating to employees the Prioritization Level(s) for the function(s) they perform, and identifying employees' roles in a Continuity Event.
- **Alternate Site Recovery Validation** — To ensure readiness alternate sites, including work from home, are tested periodically by National Life Group. Tests are designed to validate accessibility to critical systems, phones, records, and supplies. National Life Group has an agreement with Agility Recovery Solutions which offers self-contained mobile office trailer set up on the Montpelier campus for shorter-term events, as well

as fully-equipped brick & mortar office space located as close to the Montpelier campus as possible at the time of the event for longer-term events.

ESI Business Continuity Plan Guidelines
In addition to the Business Continuity Planning done by National Life, ESI also has additional tasks to mitigate risks and reduce potential issues and impact specific to our capacity of acting as a Broker-Dealer and Registered Investment Advisor.

In addition to following the guidelines stated above, ESI's Business Continuity Plans also include the following:

Emergency Contact Persons — ESI has designated two (2) registered principals as Emergency Contact Persons: Chris Longhi, AVP Operations (802) 229-3462 & (802) 498-4453; clonghi@nationallife.com and Greg Teese, SVP Operations (802) 229-7437, (802) 238-3760; gteese@nationallife.com These names will be updated in the event of a material change and our Business Continuity Manager will review them within seventeen (17) business days of the end of each quarter.

Approval and Execution Authority — Ata Azarshahi, CEO and registered principal of ESI, is responsible for approving the plan and for conducting the required annual review. Ata Azarshahi, CEO, has the authority to enact this business continuity plan.

Plan Location & Access — ESI will maintain copies of its Business Continuity Plans, annual reviews, and changes for inspection. An electronic copy of our plan is located and maintained on the National Life Group LAN.

Employee Safety — ESI places an emphasis on employee safety and participates with National Life Group, which conducts regular evacuation drills which are led by trained floor wardens and supervised by on-site security personnel.

ESI Business Continuity Statement to Clients — ESI provides a written Business Continuity Plan Statement at the time an account opens. Additionally, a statement is posted on the ESI Client website.

Communications with Employees — As part of National Life Group Corporate Business Continuity Planning, employee contact information is maintained in an emergency notification system for use as needed during an interruption event or disaster.

Data Backup and Recovery — ESI's books and records are imaged and duplicated via electronic recordkeeping systems utilized by the Firm.

The National Life Group data center in Montpelier Vermont houses over 325 servers and associated peripheral equipment including stored corporate data, and the data center at the PTC has over 585 servers and associated peripheral equipment including stored corporate data. We also have 250 servers in the Microsoft Azure cloud. Data is stored on the servers and shared storage (Infinidat) in both data centers. Replication of servers in Montpelier to the Plano data center, and servers in the Plano data center to the Montpelier data center is done for 77 virtual machines using the Zerto application. This application allows us to recover those application servers at each remote site in the event of a disaster.

All servers are backed up nightly at each site, and those backups are replicated to the remote site. Each full backup is retained for 45 days.

For any SQL databases, we use the EMC DDBoost plugin for SQL to do database backups. SQL jobs back up the SQL databases to DD4200 Data Domain arrays and SQL jobs to manage retention of those backups. Those backups are also replicated to the remote site.

Backup Power — Sites that support trading and operations are located in buildings with Uninterrupted Power Supply (UPS) and backup generators.

Emergency Communication — There are pre-established, processes for rerouting of critical hotline numbers. In the event of a site outage, customers should experience minimal downtime in their ability to access information via the ESI website and customer service telephone numbers.

Alternate Physical Location of Employees — ESI has its headquarters in Montpelier VT and maintains additional sites for certain brokerage support and sales functions. These separate sites provide business continuity for certain critical functions. In the event of a disruption to the Montpelier location, remote work from home is our primary alternate site. If necessary, we will move our staff to the nearest unaffected alternate location, depending on the situation/event. In the event employees can no longer conduct business at one of ESI's alternate locations, the following actions may be taken:

- Relocation to an Agility Recovery Solutions self-contained mobile office trailer set up on the Montpelier campus, per existing disaster recovery relationship.
- Relocation to an Agility Recovery Solutions fully equipped brick & mortar office space located as close to the Montpelier campus as possible at the time of the event, per existing disaster recovery relationship.
- Transfer critical systems to another office or a back-up firm or system
- Transfer business operations to another ESI branch office unaffected by the disruption

Alternate Site Tests — ESI, through affiliates of National Life Group, conducts disaster recovery tests for its critical functions. Tests include verification of critical applications and infrastructure.

Notification to Clients — In the event of an outage, ESI has plans to reroute client communications to an alternate location designated for business continuity and post outage status information on our website. Notification will include information regarding length of outage, instructions for contacting ESI, and support information (e.g., where to send faxes, issues pertaining to data transmissions and communications).

Regulatory Reporting and Communications — ESI's business continuity plans are designed to ensure that, regardless of the length of an outage at a primary location, ESI's ability to continue to meet regulatory requirements, as mandated by the Securities and Exchange Commission, and FINRA, would not be impacted. ESI will communicate with its regulatory authorities regarding the nature and extent of any significant outage at a primary location, as required by applicable law and regulation. Communications with regulators will be conducted using the most expedient available communication system. The firm's Chief Compliance Officer or SVP of Operations will contact regulators regarding any major business disruption and plans for continuing business. After contact is made with Regulators, alternate means of reporting will be explored if necessary.

Important Numbers:

Name	Phone #
FINRA	617-532-3400
SEC	202-948-8088

ESI Business Recovery (Montpelier, VT Headquarters)
As a registered broker/dealer and registered investment adviser, ESI is subject to the rules and regulations of the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), and the Municipal Securities Rulemaking Board (MSRB). These regulatory organizations each have certain rules and regulations that ESI must follow to conduct business. Compliance is strictly enforced by regulatory agencies and the firm's financials are reviewed each year during the annual audit, which is performed by an independent public accounting firm. ESI is also subject to examinations by the SEC, FINRA, and other organizations to ensure that their regulations are met. ESI mitigates risks to reduce potential issues and impact to support recovery of its critical business functions.

National Financial Services LLC (NFS) —NFS provides securities execution, clearance and information management services to institutional and correspondent clients. Offices are located in New York, NY; Jersey City, NJ; Smithfield, RI; Boston, MA; Westlake, TX; Covington, KY; Chicago, IL; Atlanta, GA; and San Francisco, CA.

ESI Field Offices — ESI has field offices throughout the United States. The sites are sufficiently distant to reduce the possibility that they could all be impacted by the same outage. In the event of an interruption to ESI Headquarters, field offices would be notified and instructed to ensure client access to funds at third party custodians and may assist in handling any client inquiries and communications that arise.

Contingency Space — ESI's alternate work sites, depending on the severity, nature and scope of the event, include:

- Employees working from home;
- Agility Recovery Solutions self-contained mobile office trailers delivered to the Montpelier campus; and/or
- Agility Recovery Solutions fully equipped brick & mortar office space located as close to the Montpelier campus as possible at the time of the event.

Backup Power — Generators support the ESI headquarters. Additionally, Uninterruptable Power Supplies (UPS) cover critical systems, equipment and key critical functions at the desktop.

Critical Systems Offsite — Mission critical systems used by ESI are primarily Internet-accessible and not based at the ESI Headquarters. The mainframe system is fully supported and maintained in Plano, Texas by NTT Data. Trading Systems are maintained offsite at NFS locations and NFS has outlined business recovery measures should an event affect one of their locations. ESI's website is maintained on the same internet platform that supports the National Life Group website. The website platform is hosted within the National Life Group datacenter and the Azure cloud. The website application was developed and is currently supported by Cognizant. Content management for the site is provided by the NLG marketing department.

The ACE system - ESI's client and commission processing database, is maintained at M&O (now Broadridge Advisor Solutions) in New York, NY.

The NFS Wealthscape system - Fidelity offers internet-based and client-server

applications, such as Wealthscape[SM], for use by correspondents to access customer information and submit orders. These critical applications have multiple servers in at least two Fidelity data center locations with load balancing and failover capabilities.

Docupace Technologies – The Docupace platform is a suite of paperless imaging and workflow tools used for the submission of new business and storage of client files. The Docupace business continuity plan, in conjunction with its disaster recovery plan, addresses: data backup and recovery; assumptions and disaster events of key applications and processes; communication protocol with customers, employees, vendors & key stakeholders; alternate physical location of employees, roles, responsibilities and authority. Its data center, Switch, backs up important records in geographically separate areas.

Customers' Access to Funds & Securities — ESI does not hold, or otherwise have custody of customer funds. Such funds are held either by NFS or directly by third-party product custodians. NFS has relationships with geographically dispersed banks to support money movement activities for necessary settlement and regulatory requirements, as well as to support client money movement activities.

Access to mutual fund accounts, variable insurance policies and other directly held investments, would be supported directly by the third-party product issuers and their custodians, which are all located off-site, with one exception: Variable insurance products issued by National Life Insurance Company. Emergency procedures for client access to variable insurance products are cited in the National Life business continuity plan and supported by backup operational support from National Life Group in Montpelier, VT.

Financial and Credit Risk - In the event of a significant business disruption, ESI's financial status will be evaluated to determine the need for additional financing or identify capital deficiencies including the following:

- Review the impact of the disruption on ESI's ability to conduct business
- Identify inability to satisfy obligations with counterparties
- Contact banks or other counterparties to secure needed additional financing
- Notify regulators of capital deficiencies
- Reduce or cease business as may be required due to capital deficiencies or inability to conduct business
- Transfer business to other financial institutions until ESI may resume conducting business

In case of an emergency, ESI's Financial Operations Principal, Eric Kucinskas, is responsible to make arrangements for transferring needed funds. If Eric Kucinskas is not available, Phil Partridge, Financial Operations Principal, would arrange for the funds transfer. The procedure would be as follows:

1. Inform ESI Chief Executive Officer, Ata Azarshahi, of the need, timing and dollar amount of funding needed.
2. Alert NLG Chief Financial Officer, Eric Sandberg, of the need, timing and dollar amount of funding needed.
3. Request approval from NLG Chief Executive Officer, Mehran Assadi, for the capital infusion to ESI.
4. Upon receipt of the approval, ESI's Director of Financial Reporting (currently Eric Kucinskas) will arrange for the funds to be wired into ESI's bank account.

Communication between personnel would be conducted via the email system, if available. If the email system is inoperable, communication would be via land line or cell phone by use of

the Firm's call tree. ESI's Treasurer, Eric Kucinskas is able to effect fund transfers via web-based Treasury workstations on any computer with internet access. Additional Treasury employees, Glenn Varricchione and Ben Thomas, have the same capabilities.

Testing of Backup Communications — ESI relies upon NFS to regularly test backup communication with critical third parties including banks and exchanges and trading applications. In addition, ESI relies on each third-party product issuer with whom we do business to test its own backup communications. ESI tests their own backup communications such as phones, faxes, and Internet access.

Check Printing Backup — ESI relies on NFS for primary client check printing via Fidelity's outsource arrangement with vendor Broadridge. For BCP, Broadridge will be responsible for continued service during a contingency event. Broadridge currently has multiple fulfillment sites performing work for Fidelity. In the unlikely event that one of the sites were to experience a failure an escalation protocol is performed and the in the most likely scenario the work would be redirected to one of the other operating sites. The same model is in place for the technology focused events where NFS has redundant server applications for data transmissions and acknowledgements.

Contingency Planning for Wire Transfers —NFS's wire-transfer activity is supported by multiple money center banks, each with various elements of continuity planning in place to redirect wire traffic to and from multiple NFS bank locations via a variety of communication technologies. Likewise, NFS's ACH activity is supported by several large ACH originator banks.

Contingency Planning for ACH Transfers – NFS's ACH activity is supported by several large ACH originator banks.

ESI Emergency Trading Procedures via NFS

Technical Disaster Recovery for Mission Critical Systems

Uninterruptible power supplies (UPS) and generators support all data centers. Backup files are stored onsite in online repositories in our disaster recovery data center in Omaha NE. NFS performs two internal and two external recovery tests annually for the NFS mainframe systems, including National Financials primary brokerage system, FBSI, and the National Financial disbursement system, CACTUS/ICP. FBSI is the backend core system of the Internet-based applications used by NFSs correspondents, such as ESI. Key records, such as client data and trading records, are maintained on FBSI. The primary mainframe data center and the alternate data center are in different parts of the country (Morrisville, NC and Omaha, NE respectively) to reduce the probability that both sites would be impacted by the same event. Data is replicated in real time across the two sites, with other backups run at various intervals throughout the day and electronically sent to the alternate site. These backups capture the online business day and then pre- and post-cycle to capture a complete picture of the application(s) at the end of a business day and prior to the beginning of another. Based on these tested backup processes, full FBSI functionality should be available in less than eight hours in the event of a disaster.

ESI Emergency Access to Client Information

Brokerage Accounts

ESI, through NFS, offers Internet-based and client server applications, such as Wealthscape® to access client information and submit orders. These applications are used by both ESI and its brokerage clients to access client information and, by ESI, for trading as well. These critical applications have multiple servers in at least two NFS data center locations with load balancing and failover capabilities. An outage in one data center is unlikely, but may require a user to log in again to reconnect to the

application as the application fails over. Failover is seamless and no additional activity would be required of the user.

Other Broker Dealer Accounts
As a broker-dealer ESI performs a variety of other functions for its clients. For directly held mutual funds, variable insurance policies, and other third-party product accounts, an interruption to ESI facilities would not impact the ability for these clients to access account information or funds. Clients with directly held investments or variable insurance policies can access their funds or account information by calling the corresponding company or going to its dedicated website.

Updating, Annual Review, And Testing

The Plan will be reviewed on at least an annual basis and revised as needed. Each revision will be approved by the designated senior manager and copies of the revised Plan distributed to the Emergency Response Team and key employees. Some material events require updating the Plan when they occur,

These include:

- Material changes to ESI's business
- A change in ESI's main office location
- Added office locations
- A change in a major service provider

When the Plan is reviewed, the procedures and accompanying lists and charts will be reviewed and updated as needed including the:

- Plan itself
- Emergency Response Team list
- Emergency Contact List
- Any other charts or information related to the Plan

EXHIBIT C: INSIDER TRADING POLICY

EQUITY SERVICES, INC.
Revision Date: June 30, 2017

SECTION I: INTRODUCTION

Investment firms are required to establish, maintain, and enforce policies and procedures to prevent the misuse of material non-public information ("inside information"). These requirements are included in the Insider Trading and Securities Fraud Enforcement Act of 1988. EFA has established policies and procedures reasonably designed to prevent the misuse of inside information considering the Firm's business, structure, size and other relevant factors.

At the time of hire, employees are provided with EFA's Insider Trading Policy, included in this exhibit. Updates to this policy are provided by Compliance or the Law Department when required.

Prohibition Against Acting On Or Disclosing Inside Information

Firm policy prohibits employees and associated persons from effecting securities transactions while in the possession of material, non-public information affecting such securities ("inside information"). Employees are also prohibited from disclosing such information to others. Such activity is called "insider trading". The prohibition against insider trading applies not only to the security to which the inside information directly relates, but also to related securities, such as options or convertible securities.

If employees receive inside information, they are prohibited from trading on that information, whether for the account of the Firm or any customer, or their own account, any accounts in which they have a direct or indirect beneficial interest (including accounts for family members) or any other account over which they have control, discretionary authority or power of attorney.

Your Own Securities Trading

Firm policy is to require all employees and IARs to request and obtain approval by Compliance for any securities accounts maintained outside of the Firm. Employees or IARs who have an account outside of the Firm and have not already done so, must notify Compliance of the account immediately. This notification requirement includes outside accounts in which the employee or IAR has a financial interest or directs the trading.

Annual Certification

Employees and IARs are required to annually certify their knowledge of and compliance with the Firm's insider trading policy. This certification is included in the Annual Certification form.

Firm Policy Memorandum Regarding Insider Trading

This policy memorandum is intended to provide information and guidance concerning the restrictions on insider trading, which is an enforcement priority of the SEC and the Department of Justice. It also explains policies adopted by the Firm to prevent fraudulent or deceptive practices relating to insider trading. Trading in securities on the basis of material, non-public information ("inside information") is prohibited and contrary to Firm policy. The penalties for insider trading can be considerable, including loss of profits plus treble damages, criminal sanctions including incarceration, loss of employment and permanent bar from the securities industry. This policy applies to all officers, directors, employees, IARs, RRs and Associated Persons of ESI.

SECTION II: POLICY STATEMENT ON INSIDER TRADING

ESI forbids any officer, director, employee or investment adviser representative from trading, either personally or on behalf of others, on the basis of material nonpublic information ("inside information"), and also forbids any such person from communicating inside information to others in violation of the law. This conduct is frequently referred to as “insider trading". ESI's policy applies to each officer, director, employee and investment adviser representative employee and extends to activities within and outside their duties at ESI. Each officer, director, employee and investment adviser representative must read and retain this policy statement. Any questions concerning this policy statement or the procedures set forth herein should be

addressed to National Life Group's ("NLG") Legal Department. The following is a brief discussion of the law relating to insider trading.

The term "insider trading" is not defined in the federal securities laws, but generally is used to refer to the use of inside information to trade in securities (whether or not one is an "insider") or to communications of inside information to others.

While the law concerning insider trading is not static, it is generally understood that the law prohibits:

- Trading by an insider, while in possession of inside information, or
- Trading by a non-insider, while in possession of inside information, where the information either was disclosed to the non-insider in violation of an insider's duty to keep it confidential, or was misappropriated, or
- Communicating inside information to others.

1. Who is an Insider?

The concept of "insider" is broad. It includes officers, directors and employees of a company. In addition, a person can be a "temporary insider" if he or she enters into a special confidential relationship in the conduct of a company's affairs and as a result is given access to information solely for the company's purposes. A temporary insider can include, among others, a company's attorneys, accountants, consultants, lending officers, and other employees of such organizations. According to the U.S. Supreme Court, the company must expect the outsider to keep the disclosed non-public information confidential, and the relationship must at least imply such a duty before the outsider will be considered a temporary insider.

2. What is Material Information?

Trading on inside information is not a basis for liability unless the information is material. "Material information" generally is defined as information for which there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or information that is reasonably certain to have a substantial effect on the price of a company's securities. Information that should be considered material includes, but is not limited to:

- Dividend or earnings announcements;
- Asset write-down or write-offs;
- Additions to reserves for bad debts or contingent liabilities;
- Expansion or curtailment of company or major division operations;
- Merger, joint venture announcements;
- New product/service announcements;
- Discovery or research developments;
- Criminal, civil and government investigations and indictments;
- Pending labor disputes;
- Debt service or liquidity problems;
- Bankruptcy or insolvency problems;
- Tender offers and stock repurchase plans; and
- Recapitalization plans.

Information provided by a company could be material because of its expected effect on a particular class of securities, all of a company's securities, the securities of another company, or the securities of several companies. The prohibition against misusing Material Non-Public Information applies to all types of financial instruments including, but not limited to, stocks, bonds, warrants, options, futures, forwards, swaps, commercial paper, and government-issued securities. Material information need not relate to a company's business. For example, information about the contents of an upcoming newspaper column may affect the price of a security, and therefore be considered material.

Material information does not have to relate to a company's business. For example, in Carpenter v. U.S., 108 U.S. 316 (1987), the U.S. Supreme Court considered as material certain information about the contents

of a forthcoming newspaper column that was expected to affect the price of a security. In that case, a Wall Street Journal reporter was found criminally liable for disclosing to others the dates that reports on various companies would appear in the Journal and whether these reports would be favorable or not.

3. What is Non-public Information?

Information is non-public until it has been effectively communicated to the marketplace. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the SEC, or appearing in Dow Jones or Reuters wire services, The Wall Street Journal or other publication of general circulation would be considered public.
Persons covered by this policy must be aware that even where there is no expectation of confidentiality, a person may become an insider upon receiving material Non-Public Information. Persons covered by this policy should consult with the CCO if there is any question as to whether material information is non-public.

4. A More Technical Legal Discussion of the Bases of Liability.

A. Fiduciary Duty Theory

In 1980, the U.S. Supreme Court found that there is no general duty to disclose before trading on inside information, but that such a duty arises only where there is a fiduciary relationship. That is, there must be a relationship between the parties to the transaction such that one party has a right to expect that the other party will disclose any inside information or refrain from trading. (Chiarella v. U.S., 445 U.S. 22 (1980).

In Dirks v. SEC, 463 U.S. 646 (1983), the Supreme Court stated alternative theories under which non-insiders can acquire the fiduciary duties of insiders: they can enter into a confidential relationship with the company through which they gain information (e.g., attorneys, accountants), or they can acquire a fiduciary duty to the company's shareholders as "tippees" if they are aware or should have been aware that they have been given confidential information by an insider who has violated his fiduciary duty to the company's shareholders.

However, in the "tippee" situation, a breach of duty occurs only if the insider personally benefits, directly or indirectly, from the disclosure. The benefit does not have to be in money directly, but can be a gift, a boost in reputation that may translate into future earnings, or even evidence of a relationship that suggests a quid pro quo.

B. Misappropriation Theory

Another basis for insider trading liability is the "misappropriation" theory, where liability is established when trading occurs on the basis of inside information that was stolen or wrongfully acquired from any other person. In U.S. v. Carpenter, supra, the Court found, in 1987, that a columnist defrauded the Wall Street Journal when he essentially "stole" information belonging to the Journal, even concerning his own columns, and used it for trading in the securities markets. It should be noted that the misappropriation theory can be used to reach a variety of individuals not previously thought to be encompassed under the fiduciary liability theory.

5. Penalties for Insider Trading

Penalties for trading on or communicating inside information are severe, both for individuals involved in such unlawful conduct and their employers. A person can be subject to some of or all the penalties below even if he or she does not personally benefit from the violation. Penalties include:

- civil injunctions (possibly precluding those subject to the order from participating in the securities brokerage or investment advisory businesses),
- treble damages,
- disgorgement of profits,
- jail sentences,

- fines for the person who committed the violation of up to three times any resulting profit or avoidance of loss, whether or not the person was the one who benefited,
- fines for the employer or other controlling person of up to the greater of $1,000,000 or three times the amount of the profit gained or loss avoided and,
- serious sanctions by ESI, including dismissal of the persons involved.

SECTION III: PROCEDURES TO IMPLEMENT ESI'S POLICY

The following procedures have been established to aid the officers, directors, employees and RRs of ESI in avoiding insider trading, and to aid ESI in preventing, detecting and imposing sanctions against insider trading. Each officer, director, employee and RR of ESI must follow these procedures or risk serious sanctions, including dismissal, substantial personal liability and criminal penalties. Any questions about these procedures should be directed to the NLG Legal Department.

1. Identifying Inside Information

Before trading for yourself or others in the securities of a company about which you may have potential inside information, ask yourself the following questions:

- Is the information material? Is this information which an investor would consider important in making his or her investment decisions? Is this information that would substantially affect the market price of the securities if generally disclosed?

- Is the information non-public? To whom has the information been provided? Has the information been effectively communicated to the marketplace by being published in Reuters, The Wall Street Journal or other publications of general circulation?

    - If, after consideration of the above, you believe that the information is material and non-public, or if you have questions as to whether the information is material and non-public, you should take the following steps.

- Report the matter immediately to the NLG Legal Department.

- Do not purchase or sell the securities on behalf of yourself or others. Do not communicate the information either inside or outside ESI, other than to the NLG Legal Department.

- After ESI Counsel has reviewed the issue, he/she will advise you either to continue the prohibition against trading and communication, or that you are free to trade on and communicate the information.

2. Personal Securities Trading

All officers, directors and employees of ESI shall submit to the ESI Chief Compliance Officer, or his/her designee, a report of every securities transaction in which they, their families (including the spouse, minor children and adults living in the same household as such officer, director or employee), and trusts of which they are the trustee or in which they have a beneficial interest, have participated on a quarterly basis within 30 days after the end of each calendar quarter. This report shall include the name of the security, date of the transaction, quantity, price, and broker-dealer through which the transaction was effected.

3. Restricting Access to Inside Information

Information in your possession that you identify as material and non-public may not be communicated to anyone, including persons within ESI except as provided in paragraph 1 above. In addition, care should be taken so that such information is secure. For example, files containing inside information should be kept in locked drawers or sealed; access to computer files containing inside information should be restricted.

SECTION IV: SUPERVISORY PROCEDURES

Supervisory procedures can be divided into two classifications - prevention of insider trading and detection of insider trading.

1. Prevention of Insider Trading

To prevent insider trading, the Sentinel Funds Chief Compliance Officer or ESI's Chief Compliance Officer, or their designees will:

- provide, on an annual basis, an educational program to familiarize officers, directors, employees and RR with ESI's policy and procedures.
- answer questions regarding ESI's policy and procedures,
- resolve issues of whether information received by an officer, director, employee or RR of ESI is material and non-public,
- review on a regular basis and update as necessary ESI's policy and procedures, and
- when it has been determined that an officer, director, employee or RR of ESI has inside information, implement measures to prevent dissemination of such information.

2. Detection of Insider Trading

To detect insider trading the ESI Chief Compliance Officer, or his/her designee, should, on behalf of ESI:

- review the quarterly account statements received on each field IAR's trading account from the executing broker-dealer, or if such records or not available, the quarterly trading activity reports filed by each IAR.
- consult with the NLG Legal Department with respect to any concerns arising out of such reviews.

3. Special Reports to Management

Promptly upon learning of a potential violation of ESI's Policy and Procedures to Detect and Prevent Insider Trading, the Sentinel Funds Chief Compliance Officer or ESI's Chief Compliance Officer will prepare a written report to management of ESI providing full details and recommendations for further action.

4. Annual Reports to Management

On an annual basis, the Sentinel Funds Chief Compliance Officer or ESI's Chief Compliance Officer will prepare a written report to the management of ESI setting forth the following:

- a summary of existing procedures to detect and prevent insider trading,
- full details of any investigation, either internal or by a regulatory agency, of any suspected insider trading and the results of such investigation,
- an evaluation of the current procedures and any recommendations for improvement, and
- a description of ESI's continuing educational program regarding insider trading including the dates of such programs since the last report to management.

CONCLUSION

ESI has a vital interest in its reputation, the reputation of its associates, and in the integrity of the securities markets. Insider trading would destroy that reputation and integrity. ESI is committed to preventing insider

trading and to punishing any officer, director, employee or RR who engages in this practice or fails to comply with the above steps designed to preserve confidentiality of inside information. These procedures are a vital part of ESI's compliance efforts and must be adhered to. If a person covered by this policy has a question regarding the Insider Trading Policy or a situation that may involve an insider trading issue, he or she should direct that question to the CCO or NLG Legal Department.