



**INVESTMENT ADVISER  
COMPLIANCE & PROCEDURES MANUAL  
AND CODE OF ETHICS**

*REVISED: January 2019*

**NS CAPITAL CRD#: 149905**

**Location:  
4 Landmark Square, STE 303  
Stamford, CT 06901**

Additional information about NS Capital LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# INVESTMENT ADVISER COMPLIANCE & PROCEDURES MANUAL AND CODE OF ETHICS

## RECEIPT AND ACKNOWLEDGMENT

- The undersigned individual acknowledges that he/she understands the policies and procedures contained in the manual, including the Cyber Security Policy attached and made a part of this document; and
- That he/she agrees to abide by these policies and procedures, including any future amendments.

Name (Please Print): \_\_\_\_\_

Signature: \_\_\_\_\_

**SIGN HERE**

Date: \_\_\_\_\_

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## **SECTION 1: ORGANIZATION AND RESPONSIBILITIES**

According to CUSA Sec. 36b-36-6f, Supervision Requirements, each registered investment adviser shall establish, enforce and maintain a supervisory system which provides for the following:

- a. The establishment, implementation and maintenance of written supervisory procedures containing:
  - The supervisory system established by the investment adviser (Section 1.1);
  - The titles, registration status and location of required supervisory personnel (Section 1.2);
  - The locations of required supervisory personnel (Section 1.2);
  - The responsibilities of each supervisory person as they relate to the type of business in which the investment adviser is engaged (Section 1.2);
  - An internal record containing the names of all persons designated as supervisory personnel and the dates on which such designation is or was effective (Section 1.2);
  - Consideration of whether investment adviser agents at the location engage in retail sales or other activities involving regular contact with public customers or clients (Section 1.2);
  - Consideration of whether a substantial number of investment adviser agents conduct activities at or are otherwise supervised from the location (Section 1.2);
  - Consideration of whether the investment adviser agents are geographically dispersed (Section 1.2);
  - Consideration of whether the securities or investment advisory activities are diverse, complex or both (Section 1.2).
- b. Designation of a manager with authority to carry out supervisory responsibilities for each type of business in which the investment adviser engages and for which investment adviser registration is required (Section 1.3)
- c. Designation of an on-site, full-time manager for each Connecticut branch office and principal place of business to be responsible for the day-to-day operation and supervision of the office
- d. Assignment of each investment adviser agent to a supervising manager
- e. Reasonable efforts to determine that all supervisory personnel have the experience or training to carry out their assigned responsibilities
- f. Participation, at least annually, by each investment adviser agent, either individually or collectively, in an interview or meeting conducted by persons the investment adviser designates. During this interview or meeting, compliance matters relevant to the adviser agent's activities must be discussed. The meeting or interview may occur in conjunction with a discussion of other matters and may be conducted at a central or regional location or at the investment adviser agent's place of business.
- g. Designation of one or more managers to review the supervisory system, procedures and inspections implemented by the investment adviser and take or recommend to senior management appropriate action reasonably designed to achieve compliance with CUSA and its Regulations. Unlike Rule 206(4)-7, there is no express requirement in the Connecticut regulations that this review occur at a specified time (i.e. at least annually).

NS Capital LLC (NSC) complies with this regulation by implementing the procedures, organization and review set forth in this Compliance Manual and Code of Ethics.

## **1.1 The Supervisory System**

The supervisory system implemented by NSC includes:

- (a) The designation of a **“Chief Compliance Officer”** who is a supervised person responsible for administering the policies and procedures;
- (b) The adoption and implementation of written policies and procedures reasonably designed to prevent and detect violations of the securities laws and rules by the adviser and its supervised persons;
- (c) The annual review of the adequacy of the policies and procedures and the effectiveness of their implementation.

### ***1.1.1 Designation of the Chief Compliance Officer***

The Chief Compliance Officer should be someone who is both competent and knowledgeable regarding federal securities laws and empowered with full responsibility and authority to develop and enforce appropriate policies and procedures for the firm. This person must also have full responsibility for all compliance personnel as well as overall responsibility for the firm’s compliance program. Lastly, the Chief Compliance Officer must be vested with sufficient seniority and authority within the organization to compel others to follow the firm’s compliance policies and procedures.

NSC has designated Louis Cameron Day as its Chief Compliance Officer (**“CCO”**).

Mr. Day is the founding member of NSC and brings over three decades of experience in financial services to the Company. His experience includes being President and CEO of Capital Vectors International, a premier strategic consulting company in the financial services industry, consulting on product development, marketing and distribution with many of the nation’s top financial firms.

Mr. Day began his career at Connecticut General, a leading financial and estate planning firm. After serving as Manager of their Manhattan Sales Office, he left to join Kidder, Peabody & Company as Vice President in charge of new product development and marketing. Mr. Day is a graduate of Lafayette College, where he earned a BA in Economics. After graduation, he served in the US Army and achieved the rank of captain before entering the business world.

Mr. Day holds a Series 65 license and continuously attends seminars and continuing education courses in license-related practices, ethics, regulatory practices and compliance.

### ***1.1.2 Written Policies and Procedures- Monitoring and Supervision***

Each Associated Person (as defined herein below in Section 1.5) of NSC is assigned to an appropriate officer of the Company who shall be responsible for supervising that person's activities and ensuring their adherence to the policies and procedures of this Manual as well as overall industry related regulations to the best of his/her ability. The Operations department shall maintain a record of all such assignments.

The Chief Compliance Officer implements the following policies and procedures:

- All Associated Persons have access to a current copy of this manual;
- Periodic review and amendment of this manual if and when applicable;
- Any new insertions are available to all manual owners;
- Proper licensing of all personnel in the jurisdictions where required;
- Periodic compliance meetings to cover new topics and review areas of concern;
- CCO will send emails, conduct calls, hold meetings, and conduct conference calls when necessary.

In addition, NSC has in place a set of internal controls to implement these procedures. The internal controls are designed to provide clear standards by which disciplinary measures may be taken internally in the event of a violation, including disciplinary interviews, special review or training, written communications that go on the employee's or contractor's record, fines or suspension/reassignment or termination of employment and/or referral to regulatory authorities.

### ***1.1.3 Annual Review of Policies and Procedures***

NSC's establishment and ongoing review and testing of its internal controls will be designed with the following objectives in mind:

- Meeting all relevant regulatory deadlines;
- Reviewing the firm's compliance obligations from a "risk based" perspective;
- Documenting the actual work flows present in the firm's operations;
- Demonstrating that the written supervisory procedures and internal controls that have been implemented properly address the risks present in firm operations and, upon testing and reviews, reasonably attempt to fill any potential gaps uncovered;
- The periodic, no less than annual, review of:
  - ✓ The adequacy and completeness of the supervisory procedures in the light of current operational and regulatory climate; and
  - ✓ The compliance of advisory personnel with the supervisory procedures.
  - ✓ Periodic reviews may consist of reviewing advertising, correspondence, voicemail, trading, or client file reviews.
  - ✓ Any compliance matters that arose during the previous year, any changes in the business activities of the adviser or its affiliates, and any changes in applicable regulations that might suggest a need to revise the policies or procedures.



## 1.2 The Staffing Chart

The following chart summarizes the name, title, registration status, location of where person primarily conducts business, assigned supervisor and responsibilities and activities for each Associated Person:

**Staffing Chart Location Key:**

**CT - One Landmark Square, Stamford, CT**

**FL - 1478 SW Santiago Ave, Port St. Lucie, FL 34953**

**VA - 7113 Three Chopt Road, Richmond, VA**

Name	Title	Work Status	Off Loc	Reports To /As Of	Responsibilities and Activities
Louis Cameron Day	Chief Compliance Officer, Senior Managing Member, Registered IAR	Member	CT	N/A	Investment Advisor, Portfolio Management, supervision of investment agents & staff/contractors, business continuity, compliance, company practices
Todd J. Peters	Chairman/ Investment Committee, Registered IAR	Member/ Contractor	VA	LCD 01/01/10	Contract negotiations, oversee investment committee, 3 <sup>rd</sup> party manager due diligence, identification, selection and monitoring
Eric Hahn	Managing Director, Registered IAR	Member/ Employee	CT	LCD 01/01/10	Operations management, analytics & investing, Investment Advisor, client meetings, social media posts, internal marketing tool presentations
Beverly Blair	Managing Director	Member/ Employee	FL	LCD 02/01/11	Website assistance, document management, client services, compliance assistance, HR, corporate governance, accounting
Joseph Hart	IAR	Contractor	CT	LCD 09/15/15	Advisor; Sales
Kenneth Brachfeld	IAR	Contractor	CT	LCD 09/15/15	Advisor; Sales
Barbara Ash	Marketing Coordinator	Contractor	CT	LCD 05/01/12	Assist with Marketing efforts

## 1.3 Qualifications of Supervising Personnel

When designating supervisory personnel and responsibilities, NSC shall ensure that each Principal shall have proper licensing and employment qualifications. The CCO is responsible for hiring or appointing designated supervisors. In doing so, the CCO must determine that supervisors understand and can effectively conduct their requisite responsibilities. In this regard, the Company will consider the experience the supervisor possesses and determine that the individual is qualified by experience or that it is necessary to arrange training to ensure the person is qualified to supervise. In addition, the performance and effectiveness of supervisory personnel will be reviewed no less than annually to ensure continued qualification.

## **1.4 Supervision of Personnel**

The CCO or designee is responsible for supervising operations at the firm, including, but not limited to, Licensing, Compliance, Fee Collection, Payroll, Financial Control, etc., and the following functions:

- Determine that each person employed in the business is properly qualified, licensed (if applicable) and registered (if applicable) to perform the function assigned;
- Confirm that the licensing and registration requirements for the firm have been met and are being currently maintained;
- Report to the regulatory authorities all changes in Form U-4, IAR, and other filings required;
- Interview all prospective Associated Persons and review the required information prior to accepting them as Associated Persons of the firm;
- Periodically review all personal accounts and personal trading;
- Review and approve all communications with customers;
- Supervise access of personnel to firm and customer records and files;
- Review and approve advertising and electronic communications;
- Review outside business activities of Associated Persons; and
- Supervise compliance with any applicable regulation regarding fee collection.

Details of these reviews are further described throughout this manual in the sections related to oversight of specific activities.

NSC may also designate an Office Supervisor for each offsite location. In turn all Office Supervisors are supervised as to compliance matters by the Chief Compliance Officer.

## **1.5 Associated Persons**

Section 202(a)(17) of the Advisers Act defines a “person associated with an investment adviser” (an “Associated Person” ) as any partner, officer, director of the adviser and any person “directly or indirectly controlling or controlled by such investment adviser, including any employee of such investment adviser.”

It is the responsibility of NSC to make reasonable inquiry of prospective Associated Persons or to make sure that they are not subject to statutory disqualification and to disclose any adverse information to the regulators.

## **1.6 Hiring and Registration Process**

New employees or contractors may not work in a capacity that requires registration until they successfully fulfill all registration requirements. The CCO will be consulted in advance of each new position and will identify to the appropriate manager which positions require specific registration(s). The candidate will be provided with a job description including any registration/licensing requirement and the allowable time frame to complete the requirement.

## 1.7 Annual Personnel Review

The CCO is responsible for an annual review of each Associated Person contracted with NSC. The annual review may include any of the following:

- Ascertaining that applicable license information is current and that all licenses have been renewed;
- Review of qualifications/responsibilities to determine if changes/upgrades are necessary;
- Review of specific education, training and compliance issues; and/or
- Review of activities related to business conducted outside NSC and personal securities accounts;
- Other items as relevant to the individual.

## 1.8 Correspondence Review

**Business correspondence** to or from NSC or any of its Associated Persons (employees or full-time independent contractors) is subject to review by NSC. **Business correspondence** is correspondence relating to the following topics:

- Recommendations and other advice given or proposed to be given;
- A memorandum, which the adviser must retain, describing any list (and the source thereof) of names and addresses of persons to whom offers of any report, analysis, publication or other investment advisory service were sent where the material was actually sent to the persons on that list;
- Instructions received from clients;
- Receipt, disbursement or delivery of funds or securities;
- Placing or execution of any order to purchase or sell any security.

NSC prohibits Associated Person from conducting any Business Correspondence other than through NSC and requires that only approve/captured e-mail systems be used for any electronic Business Correspondence.

NSC requires that all **outgoing business correspondence**, including direct communications to clients, form letters and sales literature, memos, notes, etc. must be reviewed and approved in advance in writing by the person's supervisor. The person sending out any form letter or advertising must maintain a list of the addressees and the date(s) the material was disseminated. Copies of this correspondence should be initialed by the supervisor indicating review and be placed either in the client file or in an "outgoing correspondence" file.

## 1.9 Disciplinary Actions

NSC takes its responsibility seriously to review employee/contractor activities to detect and deter conduct that is, or could become, a violation of these procedures. All employees or internal contractors are required to report any suspected violations of these procedures to the CCO.

Employees and internal contractors should know that they may be asked to explain, informally or otherwise, their conduct or documentation with which they are associated. If further investigation reveals a problem, NSC may take further action, including placing the individual(s) involved under heightened supervision or restrictions, imposing internal penalties, or, in extreme cases, suspension or dismissal.

In certain cases, the existence of violations may need to be disclosed to the Securities and Exchange Commission (SEC) and/or state authorities with the consequent requirement that Form ADV be amended as well as the CRD/IARD registrations on Form U-4 of the individuals involved.

Corrective action may, in addition, involve unwinding improper client trades and other remedial action to make the client whole.

## **SECTION 2: FILINGS AND DISCLOSURE TO CLIENTS; THE CLIENT AGREEMENT**

### **2.1 Form ADV – Filing & Updating**

The CCO is responsible for obtaining and maintaining RIA registration for NSC. Registration is accomplished by filing **SEC Form ADV**, a copy of which can be found, together with filing instructions, on the SEC website, [www.sec.gov](http://www.sec.gov). State filings employ Form ADV as well and their forms and instructions can be found on their various websites. (See [www.nasaa.org](http://www.nasaa.org), the NASAA website, for the names and addresses of the state regulators.)

Form ADV is in two parts. Part I contains general information about the adviser and is filed electronically with the SEC through the Investment Adviser Registration Depository (IARD) System. Instructions for this filing require the registrant to log on the SEC website ([www.sec.gov](http://www.sec.gov)), obtain an IARD registration number and pay a filing fee. Part II is also filed with the SEC. Part II is a “disclosure document” containing information in narrative form designed to be given to potential clients.

**Annual ADV Updating Amendment.** An Annual Updating Amendment to Form ADV Part I and II must be filed with the SEC and with any state that requires it, together with the required filing fees, within ninety (90) days of the end of each fiscal year. SEC and state-registered advisers filed on IARD are required to amend Form ADV Part I electronically on IARD, which now contains the eligibility information, formerly required by the annual Schedule I filing, for both new advisers applying for SEC registration and existing SEC advisers. Form ADV Part II or disclosure brochure amendments do not currently have to be filed with the SEC but may be required electronically or in writing in state jurisdictions where the firm is either a SEC registered adviser and must make notice filing(s) or is registered or has a registration application pending. State requirements vary as they phase into IARD.

The CCO is responsible for making timely updates to NSC’s Form ADV Part I and II as described above.

Form ADV-W is used to withdraw registration as an investment adviser with the SEC and states. SEC and state-registered advisers must file Form ADV-W filings electronically on the IARD system. Advisers may make either a “Full Withdrawal,” which terminates their registration with all regulators, or a “Partial Withdrawal,” which terminates registrations with certain, but not all, regulators (i.e., deleting state notice filings, state registration(s), or converting from/to SEC or state registration).

## **2.2 Form U-4**

Advisory representatives must inform the CCO of all changes that may require an amendment to Form U-4. Typically, this will be a change of home address, a married name (versus a maiden name), outside business activity, and any disciplinary matter.

## **2.3 IARD**

IARD information is available to the public on the Investment Adviser Public Disclosure (“IARD”) website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)). The IARD Users Manual (<http://www.iard.com/>) is available for specifics and personal help can be obtained by calling the IARD help desk at (240) 386-4848.

## **2.4 State Registration**

Advisers that do not qualify for SEC registration must be registered with the state where they do business. The National Securities Markets Improvements Act also requires that they comply with the registration laws in each state where they have an established place of business and/or more than six (6) clients. Most state laws require an adviser to register if it is providing investment advisory services in the state. However, each state has different de minimis exemptions, which should be carefully checked. State filing requirements generally mirror federal requirements. Most states accept the federal IARD electronic filing. Some states have additional requirements, including financial statements, bonds, registration of personnel, etc. States also offer various definitions, exemptions, disqualifications and other provisions that should be carefully examined before filing. As of this publishing, NSC is registered in the states of CT, NY and FL.

Most states require at least one investment adviser representative (IAR) registration where the adviser is required to be registered. Additional IAR registration is required for persons providing advisory services in the state on behalf of the firm. These registrations may be accomplished on the CRD/IARD system in most jurisdictions; however, as indicated above, some states do not register IARs, so no additional filings are required in these cases. In addition, some jurisdictions do not register IARs electronically, but do so via paper application. Firms should confirm filing procedures with the state(s) before making any state filing(s).

## **2.5 Disclosure to Clients**

The following sections deal with required disclosures to clients. Many of the disclosures required below can be accomplished by electronic means with the client’s prior written consent, a copy of which must be retained in the client’s records.

## **2.6 Risk Disclosure**

In managing or overseeing a portfolio of client assets, NSC and its employees/contractors should exercise great care to make sure that the client is aware of the specific risks of each distinct investment practice that will be used to a significant degree. This is best accomplished by a clear, concise explanation of the various risks in various means of continuous communication.

## 2.7 Financial and Disciplinary Disclosure

NSC practices prompt disclosure to clients and prospective clients with regard to:

- A financial condition that is reasonably likely to impair the ability of the adviser to meet contractual commitments to clients.
- A legal or disciplinary event that is material to an evaluation of the adviser's integrity or ability to meet contractual commitments to clients.

**For existing clients:** This disclosure must be made by email or written communication that can be archived.

**For New Clients:** This disclosure may be included in the "brochure" provided to clients or prospects and in any case must be made "promptly" to clients and to prospects at least 48 hours before entering into any contract (or the time of entering into the contract if the client can terminate without penalty within five (5) business days).

## 2.8 Legal or Disciplinary Event.

NSC practices advance disclosure of any of the following events involving the adviser or a "Management Person":

- Criminal or civil conviction in which the adviser or Management Person (a) was convicted or pleaded *nolo contendere* to a felony or misdemeanor or is the named subject of a pending criminal proceeding and such action involved an investment-related business fraud, false statements or omissions, wrongful taking of property or bribery, forgery, counterfeiting or extortion, or (b) was found to have been involved in a violation of an investment-related statute or regulation, or (c) was the subject of any order, judgment or decree permanently or temporarily enjoining or otherwise limiting the adviser or Management Person from engaging in any investment-related activity;
- Administrative proceedings before the SEC or other agency in which such adviser or Management Person was (a) found to have caused an investment-related business to lose its authorization to do business, or (b) was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency denying, suspending or revoking the authorization of the adviser or Person to act, or barring or suspending the adviser or Person's association with an investment-related business, or otherwise significantly limiting the adviser or Person's investment-related activities; or
- Self-regulatory organization proceedings in which the adviser or Person was found to have been involved in a violation of the rules and was barred or suspended from membership or was fined more than \$2,500 or otherwise significantly limited in their investment activities.

A "Management Person" is any person with the power to exercise, directly or indirectly, a controlling influence over the management or policies of the adviser or to determine the investment advice given to clients. The CCO is responsible for ensuring NSC is in compliance with the disclosure and notification provisions outlined above.

## 2.9 Brochures, Sales and Advertising

NSC provides informational material to clients and prospects, all of which is collectively known as “brochure” material. This may be Part II of Form ADV or a document containing at least the information required by Form ADV Part II. In addition, NSC provides to prospective clients alternative documents with text, charts and other graphics to aid in the selling effort.

The contents of the “brochure”, as well as all advertising and sales efforts of NSC, are subject to overall advertising restrictions on exaggerated claims, testimonials, non-balanced presentation and, most importantly, presentations of prior investment performance.

NSC currently does not utilize a separate brochure in lieu of Form ADV Part II to provide disclosure to clients.

## 2.10 The Client Agreement

Every contract for advisory services signed by NSC must contain certain provisions, as follows:

- **Contract cannot be assigned without client consent** (NOTE: “assignment” includes a transfer of control of the adviser).
- **No fees based on a percentage of capital gains** or appreciation in the portfolio.
- **Where prepaid fees are charged**, the contract must clearly state that the client gets a pro-rata refund if the contract is terminated before the end of the relevant period.
- **No provisions waiving compliance with any industry rule or regulation.**
- **Contact must be in writing** (including all material provisions of the arrangement).
- **If applicable, any change in the membership** or limited liability structure of NSC within a reasonable time after such change.

## SECTION 3: ACCOUNT HANDLING & FIDUCIARY STANDARD OF CARE

### 3.1 Account Establishment

An important part of the fiduciary process is the gathering of significant information about each client on a routine basis. The process then proceeds to an evaluation of the client’s individual needs. From a compliance standpoint, the record should as a minimum show:

- The gathering of basic financial information;
- A detailed discussion with the client;
- Evaluation of whether services offered are appropriate for this client;
- Evaluation of how much of client assets are appropriate for management; and
- Development of recommendations.

The Associated Person assigned to the customer’s account must obtain certain basic information from the customer. The basic tool for doing this is the Investor Questionnaire or similar document. In addition, the client will sign a Client Agreement. A relationship will not be established with the client unless all required documentation has been submitted and approved.

The Associated Person should interview the customer to discuss the client's financial situation and the services provided by NSC. Prior to the interview, the Associated Person must provide the client with Form ADV Part II of NSC or a copy of the advisory services brochure and other required sales material.

As well, the Associated Person will provide, at or prior to the interview, all the required account documentation provided by the broker-dealer or custodial firm. Typically this would include a new account form (NAF), limited power of attorney (for discretionary accounts), fee schedule, transfer forms, online access and summarized statement form, IRA Adoption Forms (if applicable), associated backup papers to the aforementioned, etc. In addition, Clients and potential clients should always be referred to the website at [www.nscapllc.com](http://www.nscapllc.com) to download the latest ADV Part II at any time.

The Associated Person must exercise due care to make sure that NSC has obtained this information and that it is complete and up-to-date. Care must be taken to discuss the options with the client and to make sure that the objectives, risk tolerance and investment strategy are not inconsistent. Before any recommendation may be made for a new account opened by an Associated Person, the account and the proposed recommendations must be approved by the supervisor of the Associated Person.

### **3.2 Third Party Control Over Account**

When a third party who is not the principal or named person on the account gives instructions regarding orders, disposition of funds, or other actions involving an account, the Company must have a signed third-party authorization. Authorization documents include guarantee of accounts, powers of attorney and other evidence of the granting of any discretionary authority given in respect of any account, including copies of resolutions empowering an agent to act on behalf of a corporation. The authorization is signed by the principal of the account and the third party, giving the third party authority to act on behalf of the principal.

Once the advisory services contract and the account opening documentation have been completely filled out and signed, the Associated Person shall forward the advisory services contract and supporting documentation to CCO, who shall promptly perform a check on the data and make other provisions to process the documents and obtain a signature by the designated supervisor on behalf of NSC. Once approved, copies of the advisory services contract, plus any required supporting documents to the broker-dealer and clearing firm, are retained for the NSC files. The Associated Person is responsible for executing all documentation in the customer records so that it is current within the last year. This requires periodic communication with customers to update their account documentation.

### **3.3 General Fiduciary Standard of Care**

As a registered investment adviser, NSC has acquired and must observe toward its clients a fiduciary standard of care. This duty is akin to the "prudent man rule" applicable to a trustee, exercising that degree of care with respect to the client's affairs that a "prudent man" would observe with respect to his own. This duty is particularly evident where the client has given discretionary authority over his or her account to NSC. Specifically, NSC and each employee/contractor must observe the following general principles:



### ***Avoid Self-Dealing***

Conduct that gives the appearance that NSC or any employee/contractor has demonstrated a preference for NSC and/or any affiliate or has a personal interest over that of the client is to be avoided. There must be particular awareness of conflicts that can arise in the interrelation among NSC and any affiliates. If in any doubt about a given course of action, consult the CCO.

### ***Consistency with Announced Strategies***

NSC and its personnel must be conscious of the requirement that review and evaluation of investment recommendations and decisions on behalf of a client will at all times remain consistent with the strategies and guidelines that have generally or specifically been agreed to with those clients. NSC personnel should endeavor to follow the practice of asking and checking with the client in any cases where a proposed recommendation/decision may be perceived as inconsistent.

### ***Follow Individual Client Guidelines***

Each client/account gets treated as an individual situation. Conduct that benefits the collective accounts at the expense of individual accounts is to be avoided. Care must be taken to study and follow any particular guidelines agreed to with the client, including restrictions on types of securities to be included in the portfolio or strategies to be preferred or avoided.

### ***Disclosure***

Clients must be provided advance disclosure of investment strategies, fees, information about NSC's business and other data significant to clients and the decision to engage NSC's services.

### ***Communication/Feedback***

Clients must be provided adequate opportunities to present their situation, evaluate recommendations, and express preferences on an ongoing basis.

## **3.4 Recommendations**

NSC and its Associated Persons must have a reasonable basis for recommending an investment transaction. Before making a recommendation, each Associated Person must:

- Review and understand the client's financial situation, objectives and risk tolerance;
- Follow an investment strategy with respect to that client, which is approved by NSC and is appropriate for the client in light of the information obtained;
- Communicate to the client the basis for the recommendation; and
- For "non-discretionary" accounts, obtain the client's instructions.

Recommendations made by Associated Persons will be periodically reviewed by that person's supervisor to ensure that such recommendations are consistent with the best interests and/or instructions of the client. If any inconsistencies are noted, the supervisor will work directly with the Associated Person to determine whether there was an oversight, mistake, or reason for the particular recommendation or action in the client's account. If remedial action is necessary, the supervisor will inform the CCO of the situation and make a recommendation for resolution, which the CCO may accept or reject. The CCO will ensure that appropriate documentation of any remedial actions taken is noted in the client file and the Associated Person's personnel file as applicable.

### 3.5 Discretionary/Managed Accounts

**Any account in which NSC or an advisor thereof has the power to execute transactions without the prior consent of the client** is a “discretionary account.” A “managed account” is a discretionary account in which the adviser has formally undertaken the responsibility to manage toward stated objectives. Discretionary accounts require the adviser to exercise and demonstrate a higher standard of care than that applicable to accounts in which the client initiates/approves the investment decisions.

Discretionary accounts are subject to the following rules:

- All such accounts should be listed on a separate roster.
- The individual(s) responsible for managing each such account should be clearly identified, along with a description of his/her responsibility.
- Discretionary account trades should be separately identified as such.

Most IAR's of NSC currently manage advisory client accounts on a discretionary basis and follow the above procedures with respect to its supervision of such accounts.

### 3.6 Contacting Prospective Clients

The process of establishing a good client relationship starts with the initial client contact. Several policies and procedures must be observed in this area. These include the policies set forth below, in addition to those governing advertising and sales communications with existing and prospective clients set forth elsewhere in this manual.

A person or entity making a call for the purposes of potential business must provide the called party with the name of the individual caller, the name of the person or entity on whose behalf the call is being made, and a telephone number or address at which the person or entity may be contacted.

A person or entity making calls for purpose of potential business must maintain a record of a caller's request not to receive further such calls. A do-not-call request must be honored for five (5) years from the time the request is made.

No person or entity shall initiate any telephone solicitation to:

- Any residential telephone subscriber before the hour of 8 a.m. or after 9 p.m.(local time at the called party's location), or
- A residential telephone subscriber who has registered his or her telephone number on the national do-not-call registry of persons who do not wish to receive telephone solicitations that is maintained by the federal government. Such do-not-call registrations must be honored for a period of five (5) years.

Persons wishing to engage in “cold calling” must first obtain clearance from his/her supervisor and/or the CCO, who will establish the guidelines. Any “cold calling” must comply with procedures mandated by the Federal Communications Commission (FCC).

### 3.7 Initial Review

Once a client is pre-qualified and recommendations are developed, the adviser and its employees/contractors need to consider whether particular investments to be made are suitable for the client/account. This is true whether the account is a managed account or not.

“Suitability,” while primarily a concept applied to brokers and representatives, also applies to advisers. While to a certain extent a client can “override” the suitability inquiry by specifying that a particular investment be made, in the case of an adviser there is a definite duty not to put (or keep) the client in investments that are not suitable, regardless of the client’s desires. If a client persists in requiring “unsuitable” investments, that client should go elsewhere for advisory services.

“Portfolio Suitability” means that the manager looks at the whole portfolio, not just a particular investment. It is not enough just to determine “in a vacuum” that a particular investment would be a good idea. Taken together with the client’s whole risk/reward/liquidity situation, a particular individual investment, in that particular amount, should be found to be “suitable.”

At a minimum, “suitability” would be observed for a particular investment or advisory strategy or program where there is evidence that the adviser evaluated:

- Client financial and tax status
- Client investment objectives
- Client current portfolio/investments
- Client risk tolerance
- Client liquidity/cash needs
- Frequency of review required

“Suitability” from an investment advisory standpoint is significantly different from the transactional “suitability” rule administered by FINRA. **To establish “suitability,” an investment adviser has to demonstrate the development of portfolio objectives and a portfolio strategy for each client and that each individual transaction is consistent with those objectives and strategy.**

It is not enough that the particular transaction fits generally within the client’s risk tolerance and investment objectives. This is because investment advisory service is all about a relationship rather than a particular transaction. Accordingly, it is extremely important that the adviser be able to document that it has obtained more than the “bare bones” of information usually found in the client’s brokerage account agreement. This is because the adviser must be able to demonstrate that the account is being managed in accordance with this additional information.

NSC reviews the suitability of any investments, programs and/or portfolio structure offered to the client at the time of account opening. Documentation of such reviews is maintained in the client file.

### 3.8 Ongoing Review

The supervisors will use the above information in reviewing client account performance on an ongoing basis. If it appears that an account is not being managed to the announced objectives and strategy or if it appears that the account is the subject of unusual or excessive transactions, the supervisor will discuss this with the Associated Person. Where it appears that there is no adequate explanation, the supervisor will contact the CCO, who will investigate the matter, including contacting the client if necessary, and determine whether further action is necessary, including corrective transaction(s), re-assigning the account or disciplinary action. If the investigation reveals any changes in the client's objectives or strategy, the client documentation should be corrected and re-signed.

Individual client reviews are conducted on a monthly basis. The CCO is responsible for reviewing at least 25% of accounts on a monthly basis. The review will consist of monitoring the following: client risk tolerance, number of trades, suitability.

During the life of client account, reviews are consistent and ongoing. An initial review is conducted by the CCO when accepting an account through NSC. Monthly reviews are conducted on a percentage of client accounts. Minimally, the accounts are reviewed quarterly by the ICG, in order to review the strategy allocations, fund performance and strategy performance. In addition should capital markets call for more immediate review the committee will make a determination regarding changes to the models allocation and/or investments.

## **SECTION 4: MANAGING CLIENT SERVICES**

The following represents the methods NSC uses to manage clients and their accounts in areas other than specific trading:

- **Use a “qualified custodian”** to maintain the funds and securities either in a series of separate accounts under the client's name or trustee for the clients. A “qualified custodian” is defined as a bank, broker-dealer, futures commission merchant or foreign financial institution that customarily holds financial assets for its customers in segregated accounts. Currently, NSC utilizes as its custodian **TD AMERITRADE CLEARING, INC.**
- **Promptly notify the client in writing** of the custodian's name, address and the manner in which the funds or securities are maintained, when the account is opened and following any changes to the information. Upon account(s) creation, review the structure, administration and online access procedure of the custodian with the client through a GO TO MEETING scheduled and conducted by the Operations Director.
- **Provide a quarterly performance analysis** to the client identifying the amount of funds in each account at the end of the period and setting forth all transactions and fee deductions during that period. Additionally, NSC will provide the client with an easy-to-read, “Plain English” calculated performance percentage for each account, as well as a summary of the client's entire portfolio. The analysis can be delivered by e-mail, U.S. Mail, overnight delivery, in person or by fax, as dictated by the client.

- **Provide a quarterly fee-related statement** to the client identifying the ending value of the clients various portfolios and a calculated fee for each respective portfolio based on the fee rate specified in the Client Advisory Agreement. Unless otherwise specified by the client, all fees shall be deducted from the client's respective account(s) and notice of such deduction shall be clearly stated in the statement.
- **Conduct periodic in-person meetings** with client to provide periodic reviews of the account and allow client to comment on future objectives as they may have changed since portfolio inception. In addition, communications with clients shall be on-going and include the following:
  - ✓ **An annual review** of the account to review the client information, investment objectives and strategy in the light of the account's performance.
  - ✓ **A periodic review** of whether there have been any changes in any client's investment objectives or financial circumstances as per the client data in the file.
  - ✓ **A constant review** of relevant changes in economic, market, or sector conditions.

## 4.1 Fees

### 4.1.1 General Information on Fees

*Negotiability of Fees:* In certain circumstances, fees may be negotiable and NSC may charge different clients receiving the same services different fees. The below fee schedules are NSC's basic fee schedules generally charged to clients absent negotiable circumstances.

*Fee Calculation:* The fee charged is calculated as described below and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940, as amended).

*Termination of Advisory Relationship:* A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

### 4.1.2 Fee Schedule

The annual fee for the advisory services will be charged as a percentage of assets under management, depending on the combination and weighting of ETFs, active management, and alternative management instruments of a given portfolio, according to the schedule below:

<u>Assets Under Management (\$)</u>	<u>Annual Fee (%)</u>
\$0 - \$5,000,000	0.15% - 1.00%, or Flat
\$5,000,001 and up	Negotiable

NS Capital has availability to negotiate fees on a case by case basis. Clients will be charged quarterly fees in advance, based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter.

If a client requests direct billing, a written request will be necessary. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. NSC will meet with the client on a regular basis, or as determined by the client, to review the account. The reporting frequency and specifications of those reports will also be disclosed in the independent adviser's disclosure document.

NSC will not accept any 12b-1 or other distribution fees.

The CCO is responsible for periodically reviewing all fee and compensation arrangements with clients and/or third parties to ensure that they are reasonable, permissible, and properly disclosed.

#### **4.1.3 Performance-Based Fee/Contingent Fees**

*Performance-based fees*, that is, fees based on a share of capital gains on, or capital appreciation of, the assets of a *client* are only accepted for the T.F. Ryan Portfolio, and only as approved by the CCO.

#### **4.4.4 Third-Party Asset Management Fees**

As part of the initial conversations with each prospective client, such client must be made aware of the relationship between NSC and third-party asset managers and the respective fees of those managers. Further, clients must be made aware that NSC does not “mark up” any such third-party asset management fee for any reason whatsoever. NSC only collects fees based on its advisory services.

## **4.2 Customer Complaints**

Customer complaints most often result from misunderstandings about transactions, objectives or results. Most often that can be resolved by open communication, careful attention to the facts, and a focused response. For this reason, NSC and its employees/contractors need to treat customer complaints with great care, allowing for an impartial examination of the basis for any complaint and an opportunity to resolve any misunderstandings by reference to facts and details of the specific situation in question. Should NSC or any employee/contractor receive a customer complaint, the following procedures must be followed:

- The complaint and any documentation **should be immediately reported** to the CCO.
- The CCO, after investigating the complaint, will report on the situation to the President (if warranted) together with recommendations for action.
- **Any employee(s)/contractor(s) involved will refrain from all communications** with the client, regulators, the press or any other persons unless specifically authorized by the CCO.
- If required, any official or public communication or response will come from, or be pre-cleared by, the CCO.
- NSC has established a Complaint File that is reviewed quarterly but maintained on a current basis as necessary. Any information relating to a customer complaint pertaining to an advisory account will be retained in this file at all times.

At a minimum, the following information pertaining to a customer complaint will be retained:

- Copy of the original complaint letter or documentation of any complaint-related call received by the adviser;
- Copies of all supporting documentation used to respond to the complaint;
- Documentation of any and all actions taken by the CCO or party responsible for investigating the complaint;
- Documentation of how the complaint was resolved, including any internal remedial action taken with respect to the advisory representative involved;
- Documentation of any changes in firm policy, procedure, and/or internal controls which may need to be implemented to prevent future complaints of a similar nature.

#### **4.3 Privacy of Client Financial Information**

All employee/contractors shall use a strict, best efforts approach to maintaining client information confidentiality. Client information and client files shall remain private and secure at all times. Client files are not permitted to leave established branch office or administrative office locations unless for the expressed purpose of meeting with a client and only with the expressed permission of the CCO.

All transmission of private client information by email shall be sent via the company computer system for maximum security, and all “mailed” documents shall be delivered via a trackable delivery method such as, UPS, FedEx or USPS express delivery, unless approved by client to be sent via US mail. When client financial information is a part of a document to be transmitted, but not a necessary part of the reason for transmittal, private information shall be marked out or “redacted”. Discussions with parties outside of NSC or not affiliated in a legal or investment-related manner to NSC regarding client information or any kind is strictly prohibited. Any violations of this section will be brought before the CCO and fully investigated. Disciplinary action may apply.

#### **4.4 Voting Proxies**

Where a firm votes proxies on behalf of clients, the Advisers Act Rule 206(4)-6 requires NSC to establish written policies and procedures regarding how it exercises proxy voting authority with respect to client securities. If a client requests that NSC vote proxies on their behalf, such clients are required to sign a Proxy Voting Authorization which should be retained in the file and renewed annually.

### **SECTION 5: INVESTMENT AND TRADING PRACTICES**

#### **5.1 In General**

The Advisers Act and state statutes require that NSC describe to clients its investment policies and procedures and any changes as they occur. Further, they require that NSC operate client portfolios in accordance with the stated objectives. It is the responsibility of the CCO to oversee the achievement of these objectives.

Specifically, the CCO is responsible for monitoring all accounts for which NSC provides investment management and supervisory services to analyze the investment and trading practices of NSC personnel on a regular basis to detect any existing or potential violations. Indicators of possible violations would include, among other things, unusual portfolio turnover rate, unexplained variances from announced investment strategy, use of unusual securities, hedging strategies or other techniques, wide variations in comparative performance of similarly managed accounts and evidences of favoritism, misallocation of investment opportunities or other breaches of fiduciary duty.

NSC obtains investor objectives from a client questionnaire filled out by the investor at the time of initial contact. After a review of the questionnaire and other information obtained from the client, the IAR determines which investment program offered through NSC is most suitable to meet the clients investment objectives.

## **5.2 Account/Investment/Asset Management**

NSC employs fundamental and technical analysis in conjunction with financial newspapers, magazines and research prepared by others. NSC specifically utilizes research prepared by the analysts retained by NSC. Corporate rating services, annual reports and other filings made with the Securities and Exchange Commission are also utilized. NSC and the analysts retained by NSC may also rely on other sources of information that one, some or all deem to be reliable, such as online and media sources. NSC will be most inclined to choose independent asset managers that primarily utilize long term purchases and, on occasion, short term purchases, that are compatible with the client objectives and goals.

## **5.3 Investment Management Matched to Market Efficiency**

NS Capital matches management mode (passive, active, alternative) to market efficiency to achieve several important goals:

- Reducing or eliminating manager risk where taking such risk offers little or no countervailing potential for extra reward;
- Eliminating the “costs” associated with active management (active management fees, trading fees, spread cost and acceleration of taxable events) in highly efficient markets, where active management offers little or no performance advantage;
- Focusing the appropriate degree of managerial expertise (and correspondingly, the appropriate degree of managerial expense) in each tier of market efficiency, which creates the potential for improved long-term performance and facilitates the cost-efficient pursuit of Beta, Alpha and Absolute returns.

## **5.4 Accumulation Portfolios**

NSC has 5 Accumulation Portfolio models designed for investors who are seeking to increase their investment net worth over time.



Each of the 5 portfolios has a distinct asset allocation that addresses different needs for different investors. Each investor's allocation must be within their tolerance for risk (volatility) to ensure a level of understanding and comfort that will increase the probability for investment success. A successful allocation is one that achieves an investor's financial goals without so much volatility that it causes the investor to make behavioral mistakes. Often the best performing portfolio is not the one with the largest allocation to stocks, but the one with the allocation to stocks that the investor feels comfortable with during all market conditions.

Before any portfolio is recommended, an investor must go through Step 2 of our process which is our Portfolio Profiler. Our profiler combines investment education and behavioral finance to help investors balance the desire for investment returns with the emotional challenges of dealing with risk. After completing the profiler, each investor's data is mapped to the Accumulation Portfolio that best matches their goals and attitudes toward risk. We acknowledge that profiling is a combination of both art and science, however, when executed properly with the support of an NS Capital Advisor it can be an invaluable tool in helping an investor determine the right allocation of stocks and bonds along with the right combination of index, active and alternative management.

## **5.5 Retirement Portfolios**

NSC believes a retirement portfolio must accomplish three things:

1. Be a source of monthly cash flow to support your standard of living in retirement
2. Protect your purchasing power by keeping up with inflation
3. Grow assets over time as a hedge against longevity risk, the risk of outliving your assets

NSC believes that the way to accomplish all three goals is to build a portfolio that is structured to meet each need over the appropriate time frame:

- Short Term – Provide immediate Cash Flow (a defined period, generally 2 to 4 years, during which specific assets are targeted for liquidation and distributed for monthly cash flow)
- Intermediate Term – Protect Purchasing Power (3 to 10 years)
- Longer Term – Address Longevity Risk (10+ years)

The portfolio is structured so that each time frame is associated with an appropriate risk parameter (i) Preservation of Capital, (ii) Conservative Accumulation and (iii) Moderate Accumulation.

## **5.6 Barbell Portfolios**

The Barbell Portfolio is a balance between safety and growth. The portfolio combines a very "low risk" allocation with a more aggressive "growth" allocation using the NSC Alpha Ring asset managers. The split is determined by a client's age and the size of their portfolio.

## 5.7 General Due Diligence Process

NSC creates holistic investment portfolios that blend both the skills of active managers and the benefits of passive management. NSC devotes significant resources to its Due Diligence Process, which was developed and is executed by the Investment Consulting Group (ICG). The members of the ICG team are Todd J. Peters, Jon Lukomnik and John Wolfe, who collectively have over 60 years of experience, have conducted over 2,500 manager interviews and participate in and attend more than 20 institutional investment forums annually. ICG also serves on the NSC Investment Committee and is responsible for (i) allocating the passive asset management strategies for the Efficient Beta Core, and (ii) identifying, hiring and monitoring the select group of high-quality independent asset managers who are responsible for managing client assets in the Alpha Ring and the Opportunity Rim.

## 5.8 Investment Consulting Group / Investment Committee

*Todd J. Peters*

*Chairman / Investment Committee*

Mr. Peters' specialty is the identification, due diligence and application of emerging institutional and non style box investment strategies. His experience includes being the founder and Chief Executive Officer of Lyndhurst Investments. Previously, Mr. Peters was a Vice President and Senior Market Analyst for Wachovia Securities and a senior member of the Consulting Services Research Group providing research oversight to client assets totaling over \$26 billion, including discretionary investment management on a \$3 billion mutual fund program. He has also worked at Anderson and Strudwick, Inc. and Mercer Investment Consulting. Mr. Peters maintains NSC's manager data base and has personally conducted over 2,000 investment strategy research meetings in the course of his career. Mr. Peters is a member of the CFA Institute and serves on its CIPM Examination Review Board.

*Louis Cameron Day*

*Chief Compliance Officer/Senior Managing Partner*

Senior Managing Partner, Louis C. Day, is also an integral part of the Investment Committee. More information on Mr. Day can be found in Section 1.1.

*Advisors to the Investment Committee*

NS Capital generally has, at any given time, between 3 and 5 outside advisors to the investment committee. Our goal is two-fold: first, to tap into specific expertise that will be additive to the committee; and second, to rotate the outside advisors approximately every two to three years in order to create a dynamic and evolving environment and avoid entrenched thinking. Our current advisors are:

*Retired President of a Federal Reserve Bank* - advises on central bank decisions and analysis of relevant economic statistics.

*Chief Investment Officer of a Multi Family Office* – adds perspective on portfolio construction, asset allocation, manager selection and monitoring.

*Chief Executive Officer of a Political Consulting Firm* - advises on the potential economic implications of the political climate.

*Chief Investment Officer of a Commodities Investment Partnership* – advises on supply and demand implications and other indicators that impact commodities worldwide.

## 5.9 Asset Management Philosophy *(subject to change without immediate update to this manual)*

NSC's asset management philosophy is based on the tenet that there are two kinds of securities markets:

- One is an "efficient market," where all the relevant information on each security is widely available and everyone is acting on precisely the same information at exactly the same time. Over time, this makes it very difficult – some would say, impossible – for any portfolio manager "to beat the market" by picking which stocks will rise faster than others. There is broad consensus that large-cap stocks and investment-grade bonds are efficient markets.
- There are also "inefficient markets" in which all the relevant information is not readily and widely available. In an inefficient market, a portfolio manager has the potential to "beat the market" through hard work and skill. Inefficient markets include small-cap stocks, high-yield bonds, emerging markets and special opportunities, which are the types of assets found in the Alpha Ring and Opportunity Rim of NS Capital Portfolios.

Although it is not practical to expect to "beat" an efficient market, it is relatively easy to earn a return that closely parallels the market's return. Such a return is called "Beta." A cost-effective way to capture Beta is through inexpensive passively managed investments that are based on market indices. "Alpha" is the excess return a skilled asset manager can generate over and above the return of the market. Alpha is conditional; it depends on the presence of market inefficiencies and an independent asset manager having the skill to exploit them. We believe the key to capitalizing on those skills lies in giving that independent asset manager the freedom to both determine his or her own style and to act independently and quickly.

## 5.10 Alpha & Opportunity Rings (Active Management) - Due Diligence Process & Manager Selection

In the inefficient markets, ICG looks for "boutique" independent asset managers with undiscovered and emerging strategies that are not prevalent in the retail marketplace and not constrained by the traditional retail "Style Boxes". ICG searches for management firms that are privately owned by their employees/contractors, have an institutionally oriented infrastructure and a controlled strategy for growth.

NSC looks for asset managers that:

- Build tightly constructed portfolios comprised of sound, well-managed companies
- Commit funds side by side with their investors
- Limit assets under management when their particular style reaches capacity and is no longer executable
- Show sensitivity to tax consequences
- Set fees at reasonable levels
- Show a willingness to respond to outlier events at both the bull and bear ends of the investing spectrum

*Manager Identification* - NSC utilizes the Zephyr Associates database to identify potential independent asset managers. Zephyr is one of the broadest databases available and is derived from the returns-based style analysis of Nobel Prize winner William Sharpe. The database is comprised of 12,000 mutual funds (updated monthly), 6000 separately managed account strategies (updated quarterly) and 10,000 indices (updated monthly).

*Relationship Network* – ICG has a large network of industry contacts that it utilizes to “discover” talented independent asset managers before they become well known. This network includes asset managers that they have come to know over their careers, referrals from industry peers and suggestions from other investment management organizations. These referrals often allow us to find managers that may not yet have found their way into the industry mainstream.

*Conference Circuit* – Participating as both speakers and attendees in most of the industry’s leading investment conferences broadens ICG’s exposure to independent asset managers who meet NSC’s criteria and embrace our philosophy of investment management.

*Manager Selection* - NSC's process for selecting managers is comprised of 7 crucial steps:

Step 1: Request quantitative data. ICG contacts the manager to introduce NSC and educate the firm about our investment philosophy and platform, and to determine the manager’s interest in participating. If the response is positive, ICG makes the following document requests:

- The firm’s due diligence questionnaire and complete form ADV
- Performance history of the applicable investment strategy
- Performance disclosures by the firm’s auditors
- All regulatory documents including state and federal audits
- The firm’s institutional marketing presentation, including recent newsletters and portfolio commentaries

Step 2: Search the Internet for third-party information on the firm and its key employees/contractors. ICG also searches the Security & Exchange Commission’s website for any available data.

Step 3: Review of all the relevant information and data by ICG to determine if the firm meets the quantitative bar before continuing the due diligence process.

Step 4: Conduct a formal due diligence call to begin the process of obtaining qualitative information. The critical topics covered during the call include the firm’s evolution, organizational structure, hiring practices, growth strategy, research approach and capabilities, portfolio methodology and compliance issues. ICG will then review the information to make the determination as to whether or not the firm remains a viable candidate and to identify any “red flags” that need further clarification prior to the on-site due diligence meeting.

Step 5: Send two members of the ICG team to the investment manager’s headquarters to conduct an extensive on-site due diligence visit. The ICG members will meet face-to-face with the Principals, Chief Investment Officer, Portfolio Manager, Research Analysts and other key employees/contractors to review several factors including, but not limited to firm overview, portfolio management philosophy, process and skill-set, buy and sell disciplines, portfolio construction and risk management, trading and operations, information technology infrastructure, business continuity issues and regulatory issues.

Step 6: Make the final decision. ICG will prepare a formal recommendation to the Investment Committee specifying whether or not the investment manager's strategy should be offered a position in the Alpha Ring or Opportunity Rim of the NSC Portfolios.

Step 7: Conduct a meeting at the investment manager's headquarters between the firm's principals and NSC's Senior Managing Partner to define the business relationship and expectations and to determine the appropriate fee for the asset management services to be provided.

### **5.11 Monitoring Managers**

*Monitoring* - The monitoring of NSC's managers by ICG is a critical component of the long-term success of the NSC Portfolios. The goal is not just to evaluate past performance, but also to continually monitor all the key factors that determine the probability of the manager's future success. It is through this monitoring process that ICG is able to make the on-going decisions that call for manager retention or, if warranted, replacement.

ICG continually monitors changes in manager strategy, process, resources and results. At the same time, we recognize and accept the important realities of successful long-term investing; that even investment managers with strong skills can experience periods of weak performance due to market or economic cycles that favor other strategies. The reality of manager diversification is that not all investment strategies and managers will perform alike at the same time, but over time, if the managers are evaluated thoughtfully and thoroughly, the strengths of a well-constructed portfolio will be apparent.

NSC practices 5 critical steps in monitoring managers:

#### Step 1: Five-Factor Review

- *Strategy* - Review each manager's investment strategy from numerous perspectives to assess the likelihood of continued superior investment returns and to ensure that changes in the strategy do not affect the manager's role within the context of the total portfolio
- *Process* - Review the process each manager utilizes to ensure implementation remains consistent, cohesive and efficient
- *Resources* - Evaluate each manager's organizational structure for depth and stability
- *Performance* - Review the record of each manager for both relative and absolute total returns
- *Operating Costs* - Regularly examine all costs involved in implementing an investment strategy, including fees and trading costs, because the surest way to improve returns is to control costs

#### Step 2: Ongoing Evaluation

ICG conducts a systematic review of the investment managers, which includes periodic conference calls, quarterly evaluations of investment performance and fund structure, annual on-site meetings and comprehensive three-year evaluations.

### Step 3: Utilize a “Watch Status”

“Watch Status” is an intermediate state of heightened oversight, triggered by any change that could jeopardize an investment manager’s ability to fulfill an assigned role. ICG will put a manager on “Watch Status” if they produce disappointing performance results, change investment strategy or process without warning or experience significant personnel departures.

### **5.12 Beta Rings (Passive Management) - Approach & ETF Selection**

The NSC philosophy regarding a portfolio’s Efficient Beta Core is to gain exposure to basic market returns – known as “Beta” – as effectively as possible. For NSC, that means:

- Investment products that have distinct and defined boundaries and invest only where and how we desire. This usually means replicating a specific market through an index, such as the S&P 500 index
- Investment products that are low-cost and tax-efficient
- Investment products provided by reputable investment companies, such as Vanguard, Barclays and other well respected Exchange Traded Fund providers.
- Investment products that are exchange-traded, which means they must also meet the listing standards of the NYSE or the NASDAQ

Overall, the Efficient Beta Core of our portfolios – composed of exchange traded funds carefully selected to fulfill specific purposes with low cost and tax efficiency – should successfully and efficiently provide us with the broad market exposures we seek.

## **SECTION 6: SALES AND ADVERTISING**

### **6.1 “Advertising” Defined**

Although NSC is state registered, we adhere to SEC Rule 206(4)-1, which defines “advertising” as “any notice, circular, letter or other written communication addressed to more than one person, or any notice or other announcement in any publication or by radio or television, which offers (1) any analysis, report, or publication concerning securities, or which is to be used in making any determination as to when to buy or sell any security, or which security to buy or sell, or (2) any graph, chart, formula, or other device to be used in making any determination as to when to buy or sell any security, or which security to buy or sell, or (3) any other investment advisory service with regard to securities.”

Any written communication sent to, or oral presentation made to, a client or prospective client or any broadcast that could be viewed as promoting advisory products or services may be subject to regulations regarding advertising by investment advisers. A communication need not take the form of a mass mailing or a paid newspaper, radio or television ad to be considered an “advertisement” for regulatory purposes. Items such as client mailings and form letters containing performance information may be subject to SEC advertising guidelines.

## 6.2 Advertising Approval

The CCO must pre-approve all advertisements, including advertising copy, yellow page and trade magazine inserts, e-mail and Internet web pages, seminar scripts and the like.

## 6.3 "Fraudulent, Deceptive or Manipulative"

Section 206(4) of the Advisers Act prohibits registered advisers from engaging in any act, practice or course of business that is fraudulent, deceptive or manipulative, as more particularly specified by SEC regulations. This section defines "advertising" and sets forth certain prohibited practices, as well as the general prohibition on advertising "which contains any untrue statement of a material fact or which is otherwise false and misleading."

- **Use of the Terms "RIA" or "Investment Counsel"** The SEC prohibits an adviser from representing or implying that it has been approved or endorsed by the Commission. An adviser may indicate that it is registered as an adviser and where applicable, as a broker. An adviser may not use the initials "RIA" (the adviser must spell out "Registered Investment Adviser") after the name of an individual as the use of these initials implies an educational or professional designation and is, therefore, misleading.
- **An investment adviser may not refer to itself as an "investment counsel"** or use the term to describe its business unless the principal business of the adviser is rendering investment advice and a substantial part of the adviser's business consists of rendering "investment supervisory services" as defined on Form ADV.

## 6.4 Specific Prohibited Practices:

**Testimonials or Endorsements.** Any statement concerning a client's experience with an adviser or endorsement by a famous person is prohibited because such testimonials are selective by definition. An offer to provide a testimonial is also prohibited.

NSC prohibits the use of testimonials or endorsements with respect to the marketing of its advisory services.

**Indirect Testimonials.** There is no prohibition against using unsolicited articles appearing in independent publications as indirect testimonials and a marketing tool. However, an adviser 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 SEC provides that it will allow an adviser to provide a partial list of clients in its marketing materials provided that certain conditions are met. These conditions are:

- The adviser "will not use performance based criteria in determining which clients to include in the list";
- Each client list will carry a disclaimer that it is not known whether the listed clients approve or disapprove of the adviser or the advisory services provided;
- Each client list will include a statement disclosing the objective criteria used to determine which clients to include on the list.

NSC does not currently use testimonials in its marketing efforts, but does make available to the public various videos of past interviews and symposiums.

**Free Reports, Etc.** Any service or product offered free of charge must be without conditions or obligations of any kind.

**Other prohibited advertising.** NSC does not allow for performance advertising nor the use of client information in its marketing efforts.

## **SECTION 7: RECORDS MAINTENANCE AND STORAGE**

### **7.1 Records Retention Requirement**

General Rule. All books and records must be kept for a period of not less than five (5) years from the end of the applicable fiscal year. They must be retained in an appropriate office of the adviser during the first two (2) years and be accessible for the remaining three (3) years.

Entity Formation Records. Articles of incorporation, partnership or limited liability company organization documents, minute books, stock certificate books of the firm and any or predecessor must be maintained in the principal office of the firm and preserved until at least three (3) years after termination of the enterprise.

Performance Advertising Records. These must be maintained and preserved in an easily accessible place for a period of not less than five (5) years, the first two (2) years in an appropriate office of the investment adviser, from the end of the fiscal year during which the investment adviser last published or otherwise disseminated, directly or indirectly, the notice, circular, advertisement, newspaper article, investment letter, bulletin or other communication.

Electronic Records. The records required to be maintained and preserved pursuant to company policy must be immediately producible (within 24 hours) or reproduced by photograph on film or on magnetic disk, tape or other computer storage medium, and be maintained and preserved for the required time in that form. If records are produced or reproduced by photographic film or computer storage medium, the investment adviser shall:

- Arrange the records and index the films on computer storage medium so as to permit the immediate location of any particular record;
- Be ready at all times to provide, and promptly provide, any facsimile enlargement of film or computer printout or copy of the computer storage medium, which the Commission by its examiners or other representatives may request;
- Store separately from the original one other copy of the film or computer storage medium for the time required;
- With respect to records stored on computer storage medium, maintain procedures for maintenance and preservation of, and access to, records so as to reasonably safeguard records from loss, alteration, or destruction, and
- With respect to records stored on photographic film, at all times have such records available for Commission examination, maintain facilities for immediate, easily readable projection of the film and for producing easily readable facsimile enlargements.



## 7.2 Records Retention Matrix

Set forth below is a table showing the key records location and responsible person:

RECORD	LOCATION	PERSON MAINTAINING
Compliance Documents	(Digital) Shared Folder between Branches	L.C.Day/B. Blair
Bank Checkbooks	4 Landmark Square, Stamford, CT 06901	Louis Cameron Day
Third-Party Asset Manager Contracts	4 Landmark Square, Stamford, CT 06901	Louis Cameron Day
Custodian Contracts	4 Landmark Square, Stamford, CT 06901	Louis Cameron Day
Clients Files (pertaining to analysis/review)	4 Landmark Square, Stamford, CT 06901	Louis Cameron Day
Compliance Documents	(Digital) Shared Folder between Branches	Beverly Blair
Corporate Governance	(Digital) Shared Folder between Branches	Beverly Blair
Accounting Ledgers	1478 SW Santiago Ave, Port St Lucie, FL 34953	Beverly Blair
General Operation Records	(Digital) Shared Folder between Branches	Beverly Blair
Clients Files (pertaining to account servicing)	1478 SW Santiago Ave, Port St Lucie, FL 34953	Beverly Blair
401(k) Documents	1478 SW Santiago Ave, Port St Lucie, FL 34953	Beverly Blair
Firm Marketing Tools ( <i>non-client</i> )	(Digital) Shared Folder between Branches	L. Day/E. Hahn/B. Blair
Client Memos & Updates	(Digital) Shared Folder between Branches	L. Day/B. Blair

## 7.3 Federal vs. State Requirements

Recordkeeping requirements for federal registered advisers are mandated under Section 204 and Rule 204-2 of the Advisers Act. States may mirror the SEC recordkeeping regulations or also have their own. A state's recordkeeping requirements are applicable to an adviser registered in that state. Requirements can differ in material respect from one state to another and should be carefully consulted. Advisers registered in multiple state jurisdictions, like NSC, are responsible for maintaining books and records that are compliant with each state's requirements – not just the requirements of their home state.

Since NSC is SEC registered, it maintains all books and records pursuant to the individual regulations of the states in which it is registered, as well as many aspects of federal regulations.

## 7.4 Written Communications

NSC requires an adviser to keep originals of all written communications received and copies of all written communications sent or received by the adviser and its Associated Persons (employees and full-time independent contractors) to any client or any other person or firm relating to instruction from the client or communications to the client.

## **7.5 E-Mail Retention**

NSC requires that e-mail records be retained as if they were any other paper record, and include communications to or from Associated Persons that are sent or received in NSC electronic communications systems or in personal e-mail. The SEC has taken the position that it is entitled to examine all relevant e-mail records, on whatever systems they may be located. Accordingly, it is the policy of NSC (a) to require that all covered e-mail correspondence (including communications among Associated Persons) be conducted on the NSCADVISOR.COM implemented e-mail system or approved domain and (b) that all e-mail to or from Associated Persons be archived.

NSC relies upon its Information Technology contractor, NST SYSTEMS, INC (NST), located in Stamford, CT, for offsite storage, archival, and retrieval of e-mails. NST assists NSC with tools to review incoming and outgoing email in addition to archiving. Should, in the normal course of review, an issue pertaining to an IAR be discovered, NST will communicate with Eric P. Hahn, the firm's internal technology coordinator (ITC). The ITC will then review the situation and consult with the CCO who will then determine the appropriate course of action which may include Corrective Action, Heightened Supervision, Fine or Termination.

NSC currently prohibits the use of instant messaging outside of Microsoft Teams.

## **7.6 Discretionary Accounts**

NSC retains discretionary authority over its client accounts as evidenced on Form ADV and in each client's advisory agreement. As such, the firm retains a listing of all discretionary accounts, as amended from time to time.

## **7.7 Written Agreements**

NSC requires an adviser to keep copies of all written agreements entered into by the adviser with any client or otherwise relating to its business of investment adviser.

NSC retains copies of the following agreements (where applicable):

- Client agreements
- Sub-advisory agreements
- Agreements with advisory representatives
- Agreements with other service providers

## **7.8 Securities Transactions by NSC and Employees/Contractors**

Through downloads, copies and original filings, or through a private advisor access to custodian records, NSC maintains the following records relating to securities transactions in NSC accounts, as well as the personal securities transactions of its associated persons where direct or indirect beneficial ownership of such accounts has been obtained.

- The title and amount of the security involved;
- The date and nature of the transaction; and
- The execution price.

Excluded from the above are transactions effected in any account over which neither the adviser nor any advisory representative has any direct or indirect beneficial interest and transactions in securities that are direct obligations of the United States Government, bankers acceptances, CDs, commercial paper, etc.

NSC has developed and enforces a Code of Ethics that encompasses the requirements listed above.

## **7.9 Performance Advertising Records**

NSC currently does not utilize performance advertising within the scope of marketing its advisory services. Should NSC decide to utilize performance data in its advertising materials in the future, it will maintain books and records pursuant to federal and state regulation.

## **7.10 Customer Account Records**

NSC maintains the following records as applicable to each customer account:

- Investor profile or questionnaire
- Investment advisory contract
- Account application and client agreement
- Backup documentation (trustee/corporate authorizations, etc.)
- Portfolio analyses
- Communications with clients
- Receipts/disbursements
- Confirmations
- Account statements

Many customer account records are maintained by the CCO in separate Client Files. Certain records such as confirmations and statements are stored electronically.

## **7.11 Employee Records**

As of the publishing of this manual, NSC does not have any persons defined as “employees”.

## **7.12 Written Supervisory Procedures**

NSC shall maintain copies of its current and dated prior versions of its Written Supervisory Procedures and Code of Ethics, and any amendments thereto. NSC shall also maintain records documenting its annual review of its Written Supervisory Procedures. All such documentation is maintained under the supervision of the CCO.

## **7.13 Basic Documents**

NSC maintains copies of all documents pertaining to the formation of the business including (as applicable) its membership agreement, articles of organization, by-laws, corporate minutes, stock agreements, etc., for the period indicted above.

## **SECTION 8: SECURITY OF SYSTEMS AND INFORMATION**

### **8.1 Policy**

The systems and data owned and operated by NSC are some of its most important assets. It is the policy of NSC that, in order to preserve the confidentiality of information in the firm's possession, the firm's premises, electronic systems and all data relating to the firm's business be kept secure. All employees/contractors are charged with the responsibility to safeguard the firm's physical premises and systems and all information in the firm's possession.

### **8.2 Access to Facilities, Electronic Systems and Data**

It is the responsibility of the CCO or designee to provide security for the firm's physical premises and security and password-protected access to all on-site and remote electronic systems owned or utilized by NSC. The CCO or designee will provide policies and procedures for security and password protection and permission for authorized persons. No employee, contractor, consultant or other user shall have access to the physical premises or to such systems or data residing in such systems without proper authorization. All personnel must report immediately any suspected security breaches to the CCO for investigation.

### **8.3 Reports and Other Communications**

All reports produced on the firm's computer equipment or produced on or from other equipment but using the firm's data, including, but not limited to, correspondence, spread sheets and profit and loss reports, are the property of the firm and are deemed to have been prepared for the firm. Such material may be distributed to clients, potential clients or others members of the public only with the prior approval of the CCO and only with appropriate disclaimers printed on the material.

### **8.4 Client Information**

Personal information about clients, including names, addresses, social security numbers, etc., is protected by federal law. The law requires that the firm (a) inform each client in advance as to its information practices through an annual Privacy Statement (b) permit the client to prohibit release of any client information to any third party and (c) follow internal practices and procedures to safeguard this information. All personnel should be aware of NSC's policies and procedures in this area. Protected information should be safeguarded. All persons should be alert to avoid business and other relationships that risk the unauthorized release of client information.

### **8.5 Corporate Policy and Procedures for Computer Security**

NSC depends upon its computers and the information they process to support its business and maintain its competitive advantage. The protection of these computers systems and data is so critical to the firm's success that every employee/contractor must be alert to possible risks and the security measures to protect against misuse.

Breaches of security and misuse of data are treated by NSC as serious offenses. Persons involved in activities such as "hacking" into servers and databases, sabotage of web sites, malicious destruction of data or protocols, unauthorized programming, use of systems or data for non-corporate purposes will be swiftly disciplined and, if warranted, referred to appropriate authorities for further action.

*Responsibility of Every Employee/Contractor.* Whenever an employee/contractor notices what appears to be improper use of the firm's computers or data, he or she should notify his or her supervisor at once. No employee/contractor shall divulge information from the firm's computers to any unauthorized persons. No employee/contractor shall use our computers for any activity outside of firm business, unless approved in advance by their supervisor.

*How Users Protect Their Passwords.* Since users are responsible for all activities associated with their passwords, they must prevent other people from accessing firm computer systems with their passwords. Therefore, all passwords must be kept secret.

NSC computers will be configured so as not to allow access until the correct password is entered. This means that any activity on the computer is the responsibility of the owner of the associated password.

*Ownership of Information.* All information maintained, produced, or otherwise residing on NSC computer systems and/or files are the property of NSC. All computer systems, programs, data, and other information developed, for whatever purpose, by employees/contractors of the firm are deemed to have been prepared for the firm. All rights in such systems, programs, data and other information shall belong exclusively to NSC and no employee/contractor shall have any rights whatsoever in them.

No employee/contractor is to be considered the owner of such material and may not treat it in any way that might adversely affect the firm. This includes revealing such information or disseminating it to unauthorized persons or in a manner that allows it to be accessed by unauthorized persons.

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## EXHIBIT A

### NS CAPITAL LLC

### CODE OF ETHICS

#### **Fiduciary Duty.**

This Code of Ethics is based on the principle that all employees/contractors of the Company and certain other persons have a fiduciary duty to place the interest of clients ahead of their own and the Company's. This Code of Ethics applies to all "Access Persons" (defined below). Access Persons must avoid activities, interests, and relationships that might interfere with making decisions in the best interests of the Company's Advisory Clients.

For the purposes of this policy, the following words shall mean:

"Access Persons" means all employees, contractors, directors, officers, partners or members of the Company, as the case may be, who (i) have access to nonpublic information regarding Advisory Clients' purchases or sales of securities, or (ii) are involved in making securities recommendations to Advisory Clients or (iii) have access to nonpublic recommendations or the portfolio holdings of an affiliated (investment) company. Client services personnel who regularly communicate with Advisory Clients may also be deemed to be Access Persons.

"Advisory Client" means any fund for which the Company serves as a general partner, or any person or entity for which it serves as investment adviser, renders investment advice or makes investment decisions.

"Code" means this policy as supplemented by other policies and procedures contained in the Company's Compliance Manual.

"Reportable Securities" means all securities in which an Access Person has a beneficial interest except: (i) U.S. Government securities, (ii) money market instruments (e.g., bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments), (iii) shares of money market funds, (iv) shares and holdings in other mutual funds unless the Company acts as the investment advisor to, or the principal underwriter of, the subject fund, and (iv) units of a unit investment trust if the UIT is invested exclusively in unaffiliated mutual funds.

As fiduciaries, all Access Persons must at all times:

**1. Place the interests of Advisory Clients first.** All Access Persons must scrupulously avoid serving their own personal interests ahead of the interests of the Company's Advisory Clients. Access Persons may not induce or cause an Advisory Client to take action, or not to take action, for personal benefit, rather than for the benefit of the Advisory Client. For example, a supervisor or employee/contractor would violate the policy by causing an Advisory Client to purchase a security he or she owned for the purpose of increasing the price of that security.

2. **Avoid taking inappropriate advantage of their position.** The receipt of investment opportunities, perquisites or gifts from persons seeking business with the Company or its Advisory Clients, could call into question the exercise of the independent judgment of an Access Person. Access Persons may not, for example, use their knowledge of portfolio transactions to profit by the market effect of such transactions.

3. **Conduct all personal securities transactions in full compliance with this Code including both pre-clearance and reporting requirements.** Doubtful situations always should be resolved in favor of Advisory Clients. Technically, compliance with the Code's provisions shall not automatically insulate from scrutiny any securities transactions or actions that indicate a violation of the Company's fiduciary duties.

## **Appendices to the Code.**

The Code shall be supplemented by the Compliance Manual in its entirety

## **Other Duties**

**Confidentiality.** Access Persons are prohibited from revealing information relating to the investment intentions, activities or portfolios of Advisory Clients except to persons whose responsibilities require knowledge of the information.

**Gifts.** The following provisions on gifts apply to Access Persons:

1. **Accepting Gifts.** On occasion, because of their position with the Company, Access Persons may be offered or may receive without notice, gifts from clients, brokers, vendors or other persons. Acceptance of extraordinary or extravagant gifts is prohibited. Any such gifts must be declined and returned in order to protect the reputation and integrity of the Company. Gifts of nominal value (i.e., a gift whose reasonable value, alone or in aggregate, is not more than \$100 in any twelve month period), customary business meals, entertainment (e.g., sporting events), and promotional items (i.e., pens, mugs, T-shirts) may be accepted. All gifts received by an Access Person that might violate this Code must be promptly reported to the CCO.
2. **Solicitation of gifts.** Access Persons are prohibited from soliciting gifts of any size any circumstances.
3. **Giving gifts.** Access Persons may not give any gifts with a value in excess of \$100 (per year) to an Advisory Client or persons who do business with, regulate, advise or render professional services to the Company.

## **Company Opportunities.**

Access Persons may not take personal advantage of any opportunity properly belonging to any Advisory Client or the Company. This includes, but is not limited to, acquiring Reportable Securities for one's own account that would otherwise be acquired for an Advisory Client.

## **Undue Influence.**

Access Persons shall not cause or attempt to cause any Advisory Client to purchase, sell or hold any security in a manner calculated to create any personal benefit to such Access Person.

If an Access Person stands to materially benefit from an investment decisions for an Advisory Client that he Access Person is recommending or participating in, the Access Person must disclose to those persons with authority to make investments decisions for the Advisory Client the full nature of the beneficial interest that the Access Person has in that security, any derivative security of that security or the security issuer, where the decision could create material benefit to the Access person or the appearance of impropriety. The person to whom the Access Person reports the interest, in consultation with the CCO, must determine whether or not the Access Person will be restricted in making investment decisions in respect of the subject security.

### **Reporting, Review and Recordkeeping.**

All violations of the Code must be reported promptly to the CCO. The CCO shall periodically review Access Persons' personal trading reports and otherwise take reasonable steps to monitor compliance with, and enforce, this Code of Ethics. The CCO shall maintain in the Company's files (i) a current copy of the Code, (ii) records of violations and actions taken as a result of the violations, (iii) copies of all Access Persons' written acknowledge receipt of the Code, (iv) copies of the quarterly and annual compliance certificates required by the Code.

### **Sanctions.**

If the CCO determines that an Access person has committed a violation of the Code, the Company may impose sanctions and take other actions as it deems appropriate, including a letter of caution or warning, suspension or personal trading privileges, suspension or termination of employment, fine, civil referral to the State securities regulators and, in certain cases, criminal referral. The Company may also require the offending Access Person to reverse the trades in question, forfeit any profit or absorb any lose derived therefrom; and such forfeiture shall be disposed of in a manner that shall be determined by the Company in its sole discretion. Failure to timely abide by directions to reverse trade or forfeit profits may result in the imposition of additional sanctions.

### **Exceptions.**

Exceptions to the Code will rarely, if ever, be granted. However, the CCO may grant an occasional exception on a case-by-case basis when the proposed conduct involved negligible opportunities for abuse. All exceptions shall be solicited and issued in writing. No reports shall be required under this code for (i) transactions effected pursuant to an automatic investment plan and (ii) securities held in accounts over which the Access Person has no direct control.

### **Compliance Certification.**

All Access Persons shall sign a certificate promptly upon becoming employed or otherwise associated with the Company that evidences his or her receipt of this Code of Ethics and submit a complete report of the Access Persons' securities holding. See Exhibit A-I. All Access Persons shall submit to the CCO, no later than 30 days after the close of each quarter, in the form proscribed by the Company for this purpose, a list of all personal transactions in Reportable Securities. During the month of January, all Access Persons will be required to certify on the Annual Certification of Compliance With the Code of Ethics form attached to this Section XI as Exhibit A-1.



## EXHIBIT A-1

### ANNUAL CERTIFICATION OF COMPLIANCE WITH THE COMPANY'S PERSONAL SECURITIES TRANSACTIONS DISCLOSURE AND CODE OF ETHICS

I certify that during the year ended as of {previous year}, in accordance with Section XIII:  
*Personal Securities Transactions of this Compliance Manual and the Company's Code of Ethics:*

1. I have fully disclosed all securities holdings in which I have, or a member of my immediate family has, a beneficial interest.
2. I have obtained pre-clearance for all securities transactions in which I have, or an immediate member of my family has, a beneficial interest except for transactions exempt from preclearance or for which I have received an exception in writing from the CCO.
3. I have reported all securities transactions in which I have, or any member of my immediate family has, a beneficial interest except for transactions exempt from pre-clearance or for which I have received an exception in writing from the CCO.
4. I have complied with the Code of Ethics in all other respects.
5. I have complied with all Company Policies included in this manual, including the attached Cyber Security Policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Dated: \_\_\_\_\_

# NS Capital LLC Cyber Security Policy

## Policy brief & purpose

NS Capital's cyber security policy outlines our guidelines and provisions for preserving the security of our data and technology infrastructure. The more we rely on technology to collect, store and manage information, the more vulnerable we become to severe security breaches. Human errors, hacker attacks and system malfunctions could cause great financial damage and may jeopardize our company's reputation. For this reason, we have implemented a number of security measures. We have also prepared instructions that may help mitigate security risks. We have outlined both provisions in this policy.

## Scope

This policy applies to all our employees, contractors and anyone who has permanent or temporary access to our systems and hardware ("employee").

## Policy elements

Confidential data is secret and valuable. Common examples are:

- Unpublished financial information
- Data of customers/partners/vendors
- Patents, formulas or new technologies
- Customer lists (existing and prospective)

All employees are obliged to protect this data by following the below listed required guidelines:

### **1. Protect personal and company devices**

When employees use their digital devices to access company emails or accounts, they introduce security risk to our data. We require our employees to keep both their personal and company-issued computer, tablet and cell phone secure with the following protocol:

- Keep all devices password protected.
- Choose and upgrade a complete antivirus software.
- Ensure they do not leave their devices exposed or unattended.
- Install security updates of browsers and systems monthly or as soon as updates are available.
- Log into company accounts and systems through secure and private networks only.

Additionally, we prohibit employees from accessing internal systems and accounts from other people's devices or lending their own devices to others.

When new hires receive company-issued equipment, such equipment is added to the current 3rd party monitoring system and the appropriate anti-malware/anti-virus protection applications downloaded directly into the device. Questions regarding the safety of both personal and company-issued equipment may be directed to Eric P. Hahn, our internal technology coordinator (ITC).

### **2. Keep emails safe**

Emails often host scams and malicious software (e.g. worms.) To avoid virus infection or data theft, we require employees to:

- Avoid opening attachments and clicking on links when the content is not adequately explained (e.g. "watch this video, it's amazing.")
- Be suspicious of clickbait titles (e.g. offering prizes, advice.)
- Check email and names of people they received a message from to ensure they are legitimate.
- Look for inconsistencies or give-aways (e.g. grammar mistakes, capital letters, excessive number of exclamation marks.)

If an employee isn't sure that an email they receive is safe, they can refer to the ITC or the HR Manager (Beverly Blair); **but under no circumstances should an Employee click on an uncertain link or call-to-action.**

### **3. Manage passwords properly**

Password leaks are dangerous since they can compromise our entire infrastructure. Not only should passwords be secure so they won't be easily hacked, but they should also remain secret. For this reason, we require our employees to:

- Choose passwords with at least eight characters (including capital and lower-case letters, numbers and symbols) and avoid information that can be easily guessed (e.g. birthdays.)
- Remember passwords instead of writing them down. If employees need to write their passwords, they are obliged to keep the paper or digital document confidential and destroy it when their work is done.
- Exchange credentials only when absolutely necessary. When exchanging them in-person isn't possible, employees should prefer the phone instead of email, and only if they personally recognize the person they are talking to.
- Change their passwords every two months.

### **4. Transfer data securely**

Transferring data introduces security risk. Employees must:

- Avoid transferring sensitive data (e.g. customer information, employee records) to other devices or accounts unless absolutely necessary. When mass transfer of such data is needed, we request employees to ask the ITC for help.
- Share confidential data over the company network/ system and not over public Wi-Fi or non-employee private connection.
- Ensure that the recipients of the data are properly authorized people or organizations and have adequate security policies.
- Report scams, privacy breaches and hacking attempts
- Password protect any data containing confidential data, and relay password by alternate communication.

Our ITC needs to know about scams, breaches and malware so they can better protect our infrastructure. For this reason, we insist our employees report perceived attacks, suspicious emails or phishing attempts as soon as possible. Our ITC must investigate promptly, resolve the issue and send a company-wide alert when necessary.

### **5. Additional measures & 3rd-Party services**

To reduce the likelihood of security breaches, we also require our employees to:

- Turn off their screens and lock their devices when leaving their desks.
- Report stolen or damaged equipment as soon as possible to the ITC or HR Manager.
- Change all account passwords at once when a device is stolen.
- Report a perceived threat or possible security weakness in company systems.
- Refrain from downloading suspicious, unauthorized or illegal software on their company equipment.
- Avoid accessing suspicious websites.

We also expect our employees to comply with our social media and internet usage policy which strictly prohibits company-issued equipment from accessing questionable or unstable sites.

Our ITC and 3rd-party IT Monitoring providers work in conjunction to provide the following supplemental measures to our internal IT security protocol:

- Manage virtual firewalls, anti-malware software and access authentication systems.
- Arrange for security training to all employees.
- Inform employees regularly about new scam emails or viruses and ways to combat them.
- Investigate security breaches thoroughly.
- Monitor the system for continual and relevant updates to core systems and patches, applications and proprietary software.
- Implement a fully restored recovery system to mitigate "down time" during breaches.

## 6. Remote employees

Remote employees must follow this Cyber Security Policy as well as stationed employees. Since they will be accessing our company's accounts and systems from a distance, they are obliged to follow all data encryption, protection standards and settings, and ensure their private network is secure. We encourage them to seek advice from our ITC if there is a chance their security measures do not meet our standards or they need assistance in properly securing their equipment.

## 7. Disciplinary Action

We expect all our employees to always follow this policy and those who cause security breaches may face disciplinary action:

- *First-time, unintentional, small-scale security breach*: We may issue a verbal warning and train the employee on security.
- *Intentional, repeated or large-scale breaches (which cause severe financial or other damage)*: We will invoke more severe disciplinary action up to and including termination and/or legal action.
- We will examine each incident on a case-by-case basis.

Additionally, employees who are observed to disregard our security instructions will face progressive discipline, even if their behavior hasn't resulted in a security breach.

## 8. Take security seriously

Everyone, from our customers and partners to our employees and contractors, should feel that their data is safe. The only way to gain their trust is to proactively protect our systems and databases. We can all contribute to this by being vigilant and keeping cyber security top of mind.

**Questions regarding these policies or doubt concerning the security of a particular communication or action should be referred to either Eric P. Hahn or Beverly Blair.**