

Amendments to Form ADV

September 27, 2000

Pamela J. Wilson

HALE AND DORR LLP

HALE AND DORR LLP

Overview of New Form ADV

- Part 1: to enable SEC and states to determine eligibility for investment adviser registration
 - Part 1A: Items required by SEC
 - Part 1B: Extra items required by states
- Effective 1/1/2001, Part 1 will be filed electronically on the Investment Adviser Registration Depository (IARD) operated by NASD Regulation

Overview of New Form ADV

- Part 2: to enable clients to determine whether to hire adviser
 - Part 2A: Required disclosure in a plain English brochure format
 - Part 2B: Brochure supplement with information about advisory personnel providing advisory services to recipient of supplement
- Part 2 changes are not yet adopted
- Advisers will keep Part 2 in their offices and not file them on IARD

Form ADV Part 1

Part 1: Initial Filing Dates

Advisers already registered with SEC

- With 12/31 fiscal year ends
 - 1/31/2001: SEC file no. 801-1 through 801-36806
 - 2/28/2001: SEC file no. 801-36807 through 801-54145
 - 3/31/2001: SEC file no. 801-54146 or higher
- With other fiscal year ends:
 - 4/30/2001

Part 1: Initial Filing Dates

- Note that many advisers with calendar fiscal years will be filing Part 1 earlier than the traditional deadline of 3/31
- After 1/1/2001, applicants for initial SEC investment adviser registration must file Part 1 and any amendments with the IARD

Part 1: IARD Filing Process

- Each SEC registered adviser will receive a package containing:
 - Information about setting up an IARD electronic filing account
 - Three forms:
 - User Account Acknowledgement Form
 - Account Administrator Entitlement Forms
 - User Agreement

Part 1: IARD Filing Process

- Each SEC registered adviser will receive a package containing:
 - Pre-addressed envelope for mailing forms to NASD Regulation
 - Instructions on using the IARD
 - Due date for returning forms to NASD Regulation
- An adviser should complete the forms and send them to NASDR within 2 weeks after receipt

Part 1: IARD Filing Process

- After receiving an adviser's forms, NASD Regulation will:
 - Set up the adviser's IARD account
 - Register the designated authorized persons who can make filings on behalf of the adviser
 - Set up the adviser's IARD billing account for paying fees

Part 1: IARD Filing Process

- After receiving an adviser's forms, NASD Regulation will send the adviser
 - A confidential user ID
 - Instructions on how to make an electronic filing on IARD
 - Instructions on how to pay fees collected by IARD
- The adviser must fund its IARD account by check or wire transfer

Form ADV Filing Fees

Assets Under Management	Initial Fee	Annual Update Fee
Less than \$25 million	\$150	\$100
\$25 million to \$100 million	\$800	\$400
More than \$100 million	\$1,100	\$550

Hardship Exemptions from Electronic Filing

- Claim exemptions by submitting Form ADV-H on paper
 - Temporary (7 day) extension of filing deadline for advisers with unexpected problems (computer malfunctions or power outages)
 - Continuing exemption for “small business” advisers that don’t have computers and can’t afford filing services

Changes to Part 1 Disclosure

- New Part 1 of Form ADV is designed to conform more closely to Form BD for broker-dealers
- Schedules providing ownership information have been reorganized
 - Schedule A requires disclosure about executive officers and direct owners of 5% or more of adviser's stock (5% owners)

Changes to Part 1 Disclosure

- Schedule B requires disclosure of all indirect owners of 25% or more of the stock of any 5% owners
- Schedule C is for non-electronic amendments to Schedules A or B
- Schedule D requires disclosure about control persons not listed on other schedules who directly or indirectly control adviser's management or policies

Changes to Part 1 Disclosure

- The disciplinary questions in Part 1A, Item 11 require additional disclosure about the:
 - Imposition of a civil money penalty or cease or desist order by the SEC or CFTC
 - Revocation or suspension of authorization to act as a federal government contractor
 - Settlement of any investment related civil action by a state or foreign regulator

Changes to Part 1 Disclosure

- The disciplinary questions exclude:
 - Minor violations of self-regulatory association or commodities exchange rules involving uncontested fines of \$2,500 or less
 - Formerly required information about bonding events, unsatisfied judgments or liens and bankruptcy (but this will be required in Part 1B for state registered advisers)

Changes to Part 1 Disclosure

- Each yes answer to a Part 1A disciplinary question will require the completion of a separate disclosure reporting page (DRP) for:
 - Criminal actions: felonies and misdemeanors
 - Regulatory actions (only during the past 10 years for SEC registrants)
 - Civil judicial actions (only during the past 10 years for SEC registrants)

Changes to Part 1 Disclosure

- Each yes answer to a Part 1B disciplinary question will require state registered advisers to complete a separate DRP for:
 - Bond denials, pay-outs or revocations
 - Unsatisfied judgments or liens
 - Arbitration claims of more than \$2,500 against the adviser or any affiliate

Changes to Part 1 Disclosure

- An adviser that is also registered as a broker-dealer can incorporate Form BD DRPs into Form ADV filing
 - But not DRPs of affiliated broker-dealers
- The SEC did not adopt a proposal to require disclosure about felony or misdemeanor charges that were dropped or resulted in acquittal

**Disclosure to be
Required in Proposed
Form ADV Part 2**

Proposed Part 2 Brochure

- Amended Part 2 of Form ADV
 - Is not a form to be filled out
 - Is a list of items required to be disclosed in the adviser's brochure
 - Requires the brochure to be concise, direct and written in plain English

Filing of Part 2 Brochure

- Until the IARD is ready to receive them, Part 2A brochures:
 - Will not be filed with the SEC or on the IARD
 - Should be kept in the adviser's office and available to the SEC's inspection staff
- SEC registered advisers must provide paper copies of brochures to state securities regulators

Filing of Part 2 Brochure

- State registered advisers must provide to state securities regulators paper copies of their:
 - Part 2A brochures
 - Part 2B brochure supplements for each supervised person and investment adviser representative doing business in that state

Delivering Brochures to Clients

- The proposed amendments would require advisers to:
 - Deliver Part 2 brochures before or at the time of entering into advisory contracts with new clients
 - Deliver or offer in writing to deliver Part 2 brochures to clients annually
 - If a client requests a brochure in response to this offer, deliver the brochure within 7 days

Delivering Brochures to Clients

- The proposed amendments would require advisers to unregistered private funds to offer and deliver the Part 2 brochure to investors in the funds as if they were clients
- In contrast, these investors are not counted as clients for determining whether an adviser has to register with the SEC

Delivering Brochures to Clients

- The proposed amendments would exempt advisers from preparing brochures and delivering them to:
 - Clients that are SEC registered investment companies
 - Clients who receive only impersonal advice and pay an annual fee of less than \$500

Amending Part 2 Brochures

- An adviser must promptly update disclosure in a brochure that becomes materially inaccurate:
 - By preparing and distributing to all clients a sticker to the brochure
 - By reprinting and redistributing to all clients the entire brochure
- A brochure must be reprinted, not just stickered, to reflect annual updates

Content of Part 2 Brochures

- An adviser that offers several advisory services may prepare a separate brochure for, containing only fee schedules for and information about, each service
- A brochure may contain information that is not required by Part 2
- A brochure need not follow the order of the Part 2A items

Content of Part 2 Brochures

- Item 1: A cover page with required legends
- Item 2: A summary of changes since the last annual update
 - This may be on or just after the cover or in a separate letter
- Item 3: A table of contents that is detailed enough to allow easy location of topics

Cover of Brochure



World's Best Capital Manager LLC

20 Easy Street

Anytown, ST 00000

555-237-8227

March 31, 2002

Legends Required on Cover

This brochure provides information about the qualifications and business practices of World's Best Capital Manager LLC. Please contact Mark E. Ting if you have any questions about the content of this brochure. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority.

Legends Required on Cover

Additional information about World's Best Capital Manager LLC is available on the Internet at www.unknown-site.com. You can search this site by a unique identifying number, known as a CRD number. Our CRD number is 12345.

Our registration as an investment adviser does not imply any particular level of skill or training.

Content of Part 2 Brochures

- Item 4: Advisory business
 - How long the adviser has been in business
 - The adviser's principal (25% or more) owners
 - The types of advisory services offered, including specialized services or limitations on types of investments

Content of Part 2 Brochures

- Item 4: Advisory business
 - Whether and how the adviser tailors services to clients' individual needs
 - Whether clients may impose restrictions on certain investments
 - The amount of assets managed on a discretionary basis and the amount managed on a non-discretionary basis (with the “as of” date)

Content of Part 2 Brochures

- Item 4: Advisory business
 - Information about the adviser's participation in wrap fee programs:
 - The programs offered and names of sponsors
 - Differences in how adviser manages wrap account vs. regular accounts
 - That the adviser receives part of the wrap fee

Content of Part 2 Brochures

- Item 4: Advisory business
 - The names and subject matter of any periodicals or reports issued by the adviser
 - Note: Some of the required disclosure may already appear in advisers' existing marketing brochures

Content of Part 2 Brochures

- Item 5: Fees and compensation
 - Fee schedules and whether fees are negotiable
 - Whether the adviser deducts fees from client assets, bills clients or gives clients a choice
 - How often the adviser bills clients or deducts fees

Content of Part 2 Brochures

- Item 5: Fees and compensation
 - Amount or range of other types of fees, such as custody fees or mutual fund expenses, that clients may pay
 - That clients will incur brokerage and other transaction costs
 - If clients must pay fees in advance
 - How to obtain a refund and how the amount of the refund is calculated

Content of Part 2 Brochures

- Item 5: Fees and compensation
 - The receipt of any compensation for selling securities, such as trail fees for selling mutual fund shares. This disclosure must also:
 - Explain conflicts of interest and describe internal controls for addressing and disclosing conflicts
 - Disclose if adviser will recommend no load funds

Content of Part 2 Brochures

- Item 5: Fees and compensation
 - Disclosure about sales compensation must also:
 - State, if true, that commissions provide the adviser's primary or exclusive source of revenues
 - Disclose whether advisory fees, if any, are reduced to offset sales compensation

Content of Part 2 Brochures

- Item 6: Types of clients
 - Brochures should list the types of clients to whom services are offered
 - Brochures should disclose any requirements for opening or maintaining accounts, such as minimum account sizes

Content of Part 2 Brochures

- Item 7: Methods of analysis, investment strategies and risks
 - Analytical methods and investment strategies used to formulate advice or manage client assets
 - That securities investments involve a risk of loss
 - If the adviser specializes in particular types of securities, the specific risks involved

Content of Part 2 Brochures

- Item 7: Methods of analysis, investment strategies and risks
 - Specific risks involved in any particular strategy used by the adviser
 - If applicable, the risks of frequent trading, including higher taxes and transaction costs
 - Cash management and defensive investing policies

Content of Part 2 Brochures

- Item 8: Disciplinary information
 - Legal or disciplinary events that are material to a client's evaluation of the adviser's business and integrity
 - A copy of any order resolving an SEC administrative enforcement proceeding, as if it were a sticker, for one year after the issuance date
 - Events listed in Items 8A, 8B and 8C need only be disclosed for 10 years

Content of Part 2 Brochures

- Item 9: Other financial industry activities and affiliations
 - Broker-dealer registrations of the adviser or its management persons
 - CFTC registrations of the adviser or its management persons
 - Material relationships with related persons, any resulting conflicts of interest and procedures for addressing and disclosing conflicts

Content of Part 2 Brochures

- Item 10: Participation or interest in client transactions; personal trades
 - Recommendation of or transactions in securities in which the adviser or a related person invests or has an interest
 - Any resulting conflicts of interest and procedures for addressing and disclosing these conflicts

Content of Part 2 Brochures

- Item 11: Brokerage practices
 - The adviser's practices in selecting or recommending broker-dealers and evaluating the reasonableness of their compensation
 - The receipt of research and other soft dollar benefits and the resulting conflicts of interest

Content of Part 2 Brochures

- Item 11: Brokerage practices
 - Required soft dollars disclosure
 - Benefit to adviser of not having to pay for soft dollar benefits
 - Incentive to select brokers based on soft dollar benefits instead of lowest commission rates
 - If true, that the adviser may pay up for soft dollar benefits

Content of Part 2 Brochures

- Item 11: Brokerage practices
 - Required soft dollars disclosure
 - Whether soft dollar benefits are used to service all accounts or only those that generated the benefits
 - Procedures to direct brokerage to particular brokers for soft dollars
 - Types of soft dollar benefits that the adviser or related persons received during the adviser's last fiscal year

Content of Part 2 Brochures

- Item 11: Brokerage practices
 - Brokerage for client referrals to the adviser or a related person and the resulting conflicts of interest
 - Incentive to select brokers based on referrals instead of best execution
 - Procedures used during the last fiscal year to direct client transaction to particular brokers in exchange for referrals

Content of Part 2 Brochures

- Item 11: Brokerage practices
 - If true, that clients are required to direct adviser to execute transactions through a particular broker
 - That not all advisers require this
 - Any affiliation or relationship with the broker that creates a conflict of interest
 - Disadvantages on the next slide

Content of Part 2 Brochures

- Item 11: Brokerage practices
 - If true, that clients are permitted to direct the adviser to execute transactions through a particular broker
 - The disadvantages of directed brokerage
 - Impediment to best execution
 - Higher transaction costs

Content of Part 2 Brochures

- Item 11: Brokerage practices
 - Any commission recapture practices benefiting clients, including:
 - Benefits of commission recapture
 - How a client can elect to participate in commission recapture
 - Extent to which the adviser negotiates brokerage commissions and, if applicable, the disadvantages of not negotiating commissions

Content of Part 2 Brochures

- Item 11: Brokerage practices
 - Whether and under what conditions the adviser bunches client orders to reduce brokerage costs
 - If true, that the adviser doesn't bunch orders and the costs of not bunching

Content of Part 2 Brochures

- Item 12: Review of accounts
 - Whether, how often and how the adviser reviews client accounts and financial plans
 - The titles of employees who conduct these reviews
 - If reviews are not periodic, the events that trigger a review
 - The content and frequency of regular reports to clients

Content of Part 2 Brochures

- Item 13: Payment for client referrals
 - Any economic benefit, including sales awards, from a non-client for providing advice to clients
 - Any compensation paid by the adviser or a related person to a non-employee for client referrals, including the arrangement and the compensation

Content of Part 2 Brochures

- Item 14: Custody
 - If true, that the adviser or a related person has custody of client assets
 - If the adviser or related person is not a bank, insurance company or broker-dealer, the risks of adviser custody
 - Any special reports provided to clients whose assets are in the adviser's custody

Content of Part 2 Brochures

- Item 15: Investment discretion
 - If true, that the adviser manages discretionary client accounts, including:
 - Any limitations that clients may impose on this discretion
 - The procedures followed before the adviser assumes this authority (such as obtaining a power of attorney)

Content of Part 2 Brochures

- Item 16: Proxy voting policies
 - If the adviser votes proxies for securities in client accounts:
 - The adviser's procedures for determining how to vote proxies
 - Whether and how clients can direct the advisers to vote proxies or find out how the adviser voted
 - Procedures for addressing conflicts of interest

Content of Part 2 Brochures

- Item 16: Proxy voting policies
 - If true, that the adviser doesn't vote proxies for securities in client accounts
 - Whether clients will receive proxies directly from custodians, transfer agents or the adviser
 - How clients can discuss particular proxy solicitations with the adviser

Content of Part 2 Brochures

- Item 17: Investment performance
 - If the adviser advertises or reports performance, the standards used to calculate returns
 - Whether the adviser uses industry standards (such as AIMR guidelines) or the adviser's own standards
 - Whether the adviser's performance data is reviewed by any third party, including name of reviewer and nature of review

Content of Part 2 Brochures

- Item 18: Financial information
 - A balance sheet for advisers with custody or that require prepayment of more than \$1,200 in fees per client at least 6 months in advance
 - For these advisers and those with discretionary authority, financial conditions likely to impair adviser's ability to perform client contracts
 - Any bankruptcy petition covering the adviser during the past 10 years

Content of Part 2 Brochures

- Item 19: Index showing where in the brochure each item is addressed to accompany any brochure filed with the SEC or a state regulator
- Item 20: Additional disclosure requirements for state registered advisers
- Appendix 1: Instructions for wrap fee program brochures

Part 2B Brochure Supplements

- Advisers must prepare a Part 2B brochure supplement for each supervised person who:
 - Communicates advice to a client
 - Formulates advice to a client (except as part of a committee), even without client contact
 - Makes discretionary investment decisions for clients

Part 2B Brochure Supplements

- An adviser must deliver to a client:
 - A brochure supplement only if the adviser is also required to deliver the Part 2A brochure
 - A brochure supplement for a supervised person before or at the time the person begins providing advisory services to that client
 - Or offer in writing to deliver a brochure supplement annually

Part 2B Brochure Supplements

- The amendment and updating requirements for Part 2B brochure supplements are essentially the same as those for Part 2A brochures
- Brochure supplements do not have to be filed with the SEC
- State registered advisers will have to file brochure supplements with applicable state regulators

Part 2B Brochure Supplements

- Item 1: Cover page
 - Identifying the supervised person and adviser
 - Containing the required legends
- Item 2: Educational background and business experience of the supervised person

Part 2B Brochure Supplements

- Item 3: Disciplinary information about the supervised person corresponding to the information required in Part 2A brochures
- Item 4: Other business activities of the supervised person, including:
 - Broker-dealer or CFTC registrations
 - Conflicts of interest
 - Receipt of sales compensation

Part 2B Brochure Supplements

- Item 5: Additional compensation received by the supervised person
 - Excluding the person's regular salary
 - Including any bonus based on sales volume, client referrals or new accounts
- Item 6: Investment advice provided by and the supervisor responsible for the supervised person

Part 2B Brochure Supplements

- Item 7: Financial information, specifically, whether the supervised person has been the subject of a bankruptcy petition during the last 10 years
- Item 8: Additional disciplinary event disclosure about supervised persons of state registered advisers

Writing a Plain English Form ADV Brochure

Implementing the SEC's Plain English Principles

- Avoid unfriendly legalistic writing
 - Use plain, everyday words instead of “in the event that,” “with respect to,” “prior,” “subsequent,” “hereinafter,” “thereof,” “such” and “registrant”
 - Minimize the use of legal or technical business terms

Implementing the SEC's Plain English Principles

- Avoid unfriendly legalistic writing
 - Don't just copy information verbatim from legal documents
 - Use personal pronouns like “we” or “you” unless they are ambiguous

Implementing the SEC's plain English Principles

- Avoid unfriendly legalistic writing
 - Don't overuse defined terms to explain information
 - Don't define words like "adviser" that have obvious meanings
 - Except to start a sentence, use initial caps only for proper nouns, titles and headings

Implementing the SEC's Plain English Principles

- Use the active voice unless there is a good reason not to
- Avoid the use of multiple negatives
- Shorten paragraphs so that they are only about one thing

Implementing the SEC's Plain English Principles

- Break up long sentences by:
 - Avoiding independent clauses and multiple dependent clauses
 - Separating long lists with bullet points instead of semi-colons
 - Using strong verbs instead of weak verb/noun combinations. Weak verbs include “be” and “make”

Implementing the SEC's Plain English Principles

- Don't use all capitals, except for short headings
- Don't justify columns
- Use descriptive headings and subheadings
- Use a tabular or bullet format for complex information

Implementing the SEC's Plain English Principles

- Avoid repetition
 - New Part 2 doesn't require it
 - It doesn't enhance disclosure or reduce risk
 - It will lengthen the brochure and bury critical information
 - It's often a symptom that disclosure wasn't stated clearly or in the right place the first time

Additional Writing, Formatting and Organization Principles

- Use color, shading and special typefaces to highlight important information and show how information is related
- Use pictures, text boxes, charts and diagrams
- Use lots of white space

Additional Writing, Formatting and Organization Principles

- Organize brochures rationally so they will be easier to navigate
- Put related sections of the brochure next to each other
- Don't necessarily follow the order of Form ADV Part 2A

Additional Writing, Formatting and Organization Principles

- Don't crowd the table of contents
- Match the amount of space devoted to a topic to the importance of the topic
- Try to devote each page or two page spread to one main topic

Additional Writing, Formatting and Organization Principles

- Do not allow disclosure to wrap from page to page
- Put the most intimidating disclosure in the back
- Consider writing required disclosure in the same style as the adviser's marketing brochures

Advisory Business: Before PE

FIRM (hereinafter ABBR) provides Investment Supervisory Services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client.

- ❖ Doesn't use personal pronouns
- ❖ Uses legalistic words (e.g. hereinafter)
- ❖ Uses initial caps for common nouns

Advisory Business: Before PE

Through personal discussions in which goals and objectives based on a client's particular circumstances are established, ABBR develops a client's personal investment policy and creates and manages a portfolio based on that policy.

- ❖ Uses passive voice (are established)
- ❖ Uses weak noun instead of strong verb (discuss)
- ❖ Uses long, verbose sentence (33 words)

Advisory Business: Before PE

ABBR provides this service to individuals, bank or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations.

- ❖ Doesn't use bullet points for long list
- ❖ Organization doesn't track investor's thought process

Advisory Business: Before PE

ABBR will manage advisory accounts on a discretionary and non-discretionary basis. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income.

- ❖ Uses passive voice
- ❖ Uses legalistic i.e.
- ❖ Doesn't use bullets for list of objectives
- ❖ Repeats earlier disclosure

Advisory Business: Before PE

ABBR will create a portfolio of no-load, load-waived and front-load mutual funds. ABBR will allocate the client's assets among various investments taking into consideration the overall management style selected by the client.

- ❖ Uses technical terms (load)
- ❖ Puts less important information first

Advisory Business: Before PE

The mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives;

- ❖ Doesn't use bullets for long list
- ❖ Doesn't put similar items in list next to each other

Advisory Business: Before PE

the fund's management style and philosophy, and the fund's management fee structure. Portfolio weighting between funds and market segments will be determined by each client's individual needs and circumstances.

- ❖ Uses passive voice
- ❖ Repeats previous disclosure
- ❖ Doesn't say enough about the adviser's style or strategy

Advisory Business: Before PE

Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

❖ Sounds legalistic and unfriendly

Adviser Brochure: After PE

We manage portfolios of mutual funds for advisory clients. We usually have discretion to buy and sell mutual fund shares on behalf of clients. We also advise clients who decide for themselves whether to follow our investment recommendations.

- Uses personal pronouns
- Avoids investment terms that client might not know
- Paragraph is all about one topic

Adviser Brochure: After PE

We manage the following types of accounts:

Capital growth goal

- U.S. and foreign stocks
- U.S. stocks (all capitalizations)
- U.S. small, medium or large cap stocks

- Provides critical information up front
- Item 4 of Part 2A requires this disclosure

Adviser Brochure: After PE

Growth and income goal

- U.S. dividend paying and large cap stocks
- U.S. and foreign bonds

Income goal

- U.S. and foreign bonds
- U.S. bonds only

- Links types of accounts to goals
- Uses bullets

Adviser Brochure: After PE

Our Investment Process

In constructing portfolios for clients, we first analyze the economy and investment markets.

- Item 7 requires this disclosure
- It is especially important to a client's hiring decision

Adviser Brochure: After PE

Based on this analysis, we allocate a client's portfolio among the asset classes that match the client's goals.

Next we determine how much of each client's account should be allocated to mutual funds with different investment styles: growth, value, blended and quantitative.

Adviser Brochure: After PE

Finally, we look for mutual funds appearing to offer highest return potential for each style relative to the amount of risk that the funds are taking.

We focus on funds with the following characteristics:

- Investment goals, strategies and risks consistent with those of the client's portfolio

Adviser Brochure: After PE

- Above-average long term performance of the fund or its adviser
- High quality management
- Reasonable fees and expenses

We try to select the lowest-cost share class of a particular fund and to select funds that don't impose sales charges. However, we may select funds that are available only with a front-end sales charge.

Adviser Brochure: After PE

You could lose money by investing in mutual funds. Their shares are not guaranteed by the FDIC or any other government agency. A fund's shares will go up and down in value in response to price changes in the securities markets where the fund primarily invests.

Mutual funds incur fees and expenses in addition to the advisory fees that you pay to us.

Adviser Brochure: After PE

Mutual funds must distribute all of their realized capital gains every year. Neither we nor you can predict or control the amount of taxable gains distributed by mutual funds in your account.

We may actively trade client portfolios. This can increase your investment costs and increase the amount of capital gains taxes paid by you.

Adviser Brochure: After PE

We offer our services to the following types of clients:

- Individuals
- Trusts and estates
- Pension and other retirement plans
- Businesses
- Financial institutions and mutual funds
- Charitable institutions

- Item 6 of Part 2A requires this disclosure.
- Bullets work well with this type of disclosure

Adviser Brochure: After PE

If you become our client, we will ask you for information about your particular financial situation and needs. We will help identify your investment goals and the type of portfolio we will be managing for you.

- This disclosure is probably less important to a hiring decision than the adviser's services and strategy

Adviser Brochure: After PE

We will then manage your account in accordance with these goals and your instructions. You will have the chance to put reasonable restrictions on the types of mutual funds we buy for your account.

- This disclosure is required by Item 4 of Part 2A but might not affect a hiring decision

Adviser Brochure: After PE

All of the mutual fund shares in your account will be held in your name. We will not take possession of any of the assets in your account.

- This disclosure does not have to be in this location

Conclusion

- It is possible to write disclosure documents in plain English
- It is beneficial to write disclosure documents in plain English because:
 - It bridges the gap between marketing and disclosure documents
 - It communicates clearly to clients and helps manage their expectations